



PONARS Eurasia

POLICY PERSPECTIVES

Policy Conference
September 2012

PONARS Eurasia

NEW APPROACHES TO RESEARCH AND SECURITY IN EURASIA

Elliott School of
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THE GEORGE WASHINGTON UNIVERSITY

IERES • THE INSTITUTE FOR EUROPEAN, RUSSIAN AND EURASIAN STUDIES

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PONARS Eurasia is an international network of academics that advances new policy approaches to research and security in Russia and Eurasia. PONARS Eurasia is based at the Institute for European, Russian and Eurasian Studies (IERES) at George Washington University's Elliott School of International Affairs. The program is generously supported by the International Program of Carnegie Corporation of New York and the John D. and Catherine T. MacArthur Foundation.

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A supporter of the punk band Pussy Riot holds a hand-crafted design symbolizing the three members of the Russian punk group Pussy Riot, with a sign on her wrist reading "They are your children, Russia," outside a court in Moscow, Russia, Friday, August 17, 2012. A Moscow judge has sentenced each of three members of the provocative punk band Pussy Riot to two years in prison on hooliganism charges following a trial that has drawn international outrage as an emblem of Russia's intolerance to dissent. (AP Photo/Alexander Zemlianichenko)

Officials take part in a ceremony after the train carrying 45 tons of liquefied petroleum gas (LPG) imported from Kazakhstan arrived at the Alashankou (Alatau Pass) Port in Bozhou in northwest China's Xinjiang Uygur Autonomous Region on Monday, June 14, 2010. Railway is a one way of energy transportation between China and Central Asia, while the Sino-Kazak Pipeline carries almost 8 million tons of crude oil from Kazakhstan to China. (Photo By Zhi Jun/Color China Photo/AP Images)

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Foreword

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PONARS Eurasia (the **Program on New Approaches to Research and Security in Eurasia**) is an international network of academics that advances new policy approaches to research and security in Russia and Eurasia. This volume is PONARS Eurasia's annual yearbook of Policy Perspectives. It consists of thirty-five Policy Memos covering an array of regional topics, including Russia's year of protest and the future of leadership across Russia and Eurasia, cross-border trade in Central Asia and regional energy developments, Russia's role in key matters of international security, the changing security landscape in the Caucasus, and policy options toward Ukraine and the EU-Russian neighborhood. The Policy Memos also serve as the basis for the 2012 PONARS Eurasia Policy Conference, held at George Washington University's Elliott School of International Affairs and the Center for Strategic & International Studies (CSIS) in September 2012.

The collection is divided into eight parts. The first part, **A Russian Spring? Protests and Public Opinion in Russia**, discerns the degree to which anti-government protests reflect the attitudes of the Russian population at large. Drawing in part on original public opinion research, the five memos in this section caution against assuming antigovernment protestors represent the majority in Russia today, although they also argue that tidal shifts in public opinion remain possible. They also explain how Russian supporters of liberal democracy continue to contend with widespread public suspicion of foreign influences in Russia's political life, a trend that might require a rethink of democracy promotion strategies.

The second part, **Cross-Border Conflict and Cooperation in Central Asia**, explores issues of conflict, cooperation, and trade across Central Asia, China, and Afghanistan. Two memos look at the role of China. One argues that while Chinese energy trade and infrastructure investment in Central Asia are beneficial, they can also diminish Western (and Russian) influence and reinforce the reluctance of Central Asian leaderships to carry out governance reforms. Another explores challenges to China's role as a stakeholder in Afghanistan's development: its failure to promote a multilateral regional strategy; the divergence of regional interests between China and Russia; and strains in China's alliance with Pakistan. A third memo argues that a proper war on drugs in Afghanistan and Central Asia requires recognition that regimes and insurgents both are involved in the drug trade; that successfully combating it requires political will, not just technical means; and that there needs to be a focus on demand reduction and

treatment. A four memo discusses a major potential flashpoint of regional conflict: the Tajik-Uzbek water trade.

The third part, **The Future of Leadership: Russia**, explores core pathologies of leadership in Russia today and reveals shifts in the structure of leadership in both the government and opposition. Two memos explore the challenge of enshrining integrity as a desirable quality in Russian politics and the ways in which “fake” political parties and politicians have obscured the field for real political competition. Other memos examine the phenomenon of “leaderless” protest movements and the rise of the grassroots; the uneasy synergy between (and at times merger of) liberal democratic and nationalist poles of antigovernment protest; and the changing rules of the game that have already begun to reinsert real politics into gubernatorial elections.

The collection’s fourth part, **Russia’s Perimeter: Syria, Iran, and Japan**, investigates three international security issues involving Russia: the Syrian uprising, efforts to halt Iran’s nuclear weapons program, and Russia’s dispute with Japan over the Kuril Islands. The first memo argues that the focus on Russian and Chinese opposition to UN action against the Syrian regime has been misguided; the course of Syrian affairs lies mainly in internal dynamics that international actions will only influence on the margins. A second memo explores whether the United States and Russia can overcome the contradiction between their shared interest in preventing Iran from developing nuclear weapons and their divergent strategies for doing so. The third memo unpacks the Kuril Islands dispute that continues to taint Russian-Japanese relations, exploring the history of the dispute, Russian and Japanese motivations in keeping it alive, and possible ways toward a solution.

The fifth part, **The Future of Leadership: Ukraine, Kazakhstan, and the Caucasus**, looks at the prospects for leadership change in Ukraine, Georgia, and Kazakhstan. One memo argues that Ukrainian electoral changes designed to strengthen the executive have had unexpected consequences, including weakening the ruling party and consolidating opposition forces. The next memo examines Georgia’s parliamentary election campaign, the opposition’s strengths and weaknesses, and the ruling party’s efforts to retain control through an election period that will lead to Georgia’s first ever peaceful transition of power. The third memo looks forward to an inevitable time of transition in Kazakhstan and the succession crisis that this will engender; it advises Kazakhstan’s elites to begin thinking now about how to manage a post-Nazarbayev democratic transition. A final memo explains differences in attitudes toward corruption and police reform in Georgia, Armenia, and the breakaway republic of Nagorno-Karabakh.

The sixth part, **Designing Policy toward Ukraine and the EU-Russia Neighborhood**, examines U.S., EU, and Russian policy toward Ukraine, as well as the EU’s overall “Eastern” policy. Two memos argue that the West has a choice to be firmer in its defense of democracy, governance, and human rights in Ukraine or to give up its efforts to integrate Ukraine into Western institutions. Advocating for the former, the

memos argue that a more forceful stance toward Ukraine's government will not result in some kind of geopolitical "loss" of Ukraine to Russia. A third memo looks at the underappreciated role of religious politics in Ukrainian-Russian relations, demonstrating how the contest over Ukraine's geopolitical orientation is reflected in a divide within the country's largest church (the autonomous Ukrainian Orthodox Church) on the proper degree of independence from the Moscow Patriarchate. How this contest is resolved could have a profound impact on Ukraine's relations with Russia. A fourth memo looks at how the development of more modest visions of the EU's future have affected relations with neighbors in Eastern Europe and Russia and why a German-Polish-Russian "trialogue" holds promise for cultivating a "win-win-win" policy in Eastern Europe.

The seventh part, **Resolving Energy Trade Disputes in Eurasia**, examines a set of relatively "quiet" energy trade disputes in Eurasia and prospects for their resolution. Two memos examine, respectively, Russian-Chinese and Azerbaijani-Turkish pipeline disputes, explaining the persistence of the former and the resolution of the latter. Another memo explains how political and geo-economic motivations have led Russia to resolve certain energy-related border disputes (as with Norway) but not others (in the Caspian). A final memo explores the internal conflict between Russian national oil companies (NOCs) and the government, whereby the former have resisted the international expansion plans of the latter. The memo argues that a government preference for internationalization reflects a global NOC norm rather than unique Kremlin ambitions.

The final part, **The Caucasus: A Changing Security Landscape**, examines issues of conflict and conflict resolution in the Caucasus. Two memos explore innovative prospects for resolution in the continued conflicts over Abkhazia and South Ossetia, while another considers the possibility of renewed hostilities over Nagorno-Karabakh and the means for preventing it. A fourth memo analyzes the increasingly tense relations of Azerbaijan and Iran. A final memo examines the ways in which fears of external intervention seep into domestic politics, distorting political competition, diminishing government accountability, and reinforcing rigid foreign policymaking.

We are sure you will find these policy memos informative and thought-provoking. Many individuals were instrumental in the production of this volume, as well as the organization of the 2012 PONARS Eurasia Policy Conference. In addition to all authors and conference participants, Prof. Henry Hale and I would like especially to thank Managing Editor Alexander Schmemmann; Program Coordinator Olga Novikova; Graduate Research Assistant Jeanmarie O'Leary; IERES Executive Associate Caitlin Katsiaficas; and IERES Director Peter Rollberg.

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Bolstering Exchange Programs to Link University Education with Liberal Views in Russia

A DIFFERENT PERSPECTIVE ON “DEMOCRACY ASSISTANCE”

PONARS Eurasia Policy Memo No. 211

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Efforts by the United States to promote democracy and civil society in Russia by directly supporting institutions such as political parties, nongovernmental organizations, alternative media outlets, and opposition groups have reached a critical juncture. The Russian government’s recent crackdown on foreign-funded NGOs, restrictions on the internet, and pressure on opposition leaders appear to be supported by the population. Anti-American sentiment within the Russian public is considerably stronger than is support for the opposition.* With little to show for nearly two decades of expensive democracy assistance, the United States should abandon its previous approach. Instead, it should adopt a new strategy focused on creating a normative demand for democracy and human rights in that part of the Russian population that should, theoretically, be most inclined to support those ideals: university graduates. Without robust local demand among university graduates for democracy and human rights, efforts to build institutions will not succeed. U.S. support for such institutions is probably counterproductive, as it plays into the hands of pro-Kremlin critics. Therefore, democracy assistance resources should be redirected toward dramatically increasing the quantity and quality of university exchange programs and other initiatives that bring Russian and U.S. students into close and sustained contact.

Democracy Assistance to Russia

Although the levels and specific targets of funding have ebbed and flowed, since the collapse of the Soviet Union the U.S. government has invested considerable resources in democracy assistance to Russia. According to a 2009 report by the U.S. Government

* Levada Center polling data: 72% of Russians see the United States an “aggressor that’s trying to take over the world” while only 7% see the United States as “a defender of peace, democracy, and order throughout the world” ([Levada](#)); 43% of Russians support the protest movement advocating free elections while 47% oppose the movement ([Levada](#)).

Accountability Office, Russia was the sixth largest recipient of democracy assistance funding from the U.S. government in fiscal years 2006-2008, with nearly \$100 million allocated by the U.S. Agency for International Development, the State Department's Bureau of Democracy Rights and Labor, and the National Endowment for Democracy.* Over half of USAID funding (the bulk of democracy assistance) went to "civil society programs," a distinctively high amount (more typically, most democracy assistance funding goes to good governance programs).†

Russian critics of foreign democracy assistance characterize these efforts as U.S. government attempts to meddle in Russia's domestic political affairs. This argument appears to resonate with Russians, judging by the widespread support for recent legislation requiring Russian political NGOs who receive foreign funds to publicly designate themselves as "foreign agents." Whether one believes that U.S.-based democracy assistance in Russia is driven by a genuine commitment to the spread of democracy or by more instrumental goals, the fact is that the investments have not created sustainable institutions: without foreign financial support, few political NGOs and similar groups will survive. Supporters of the current approach can complain that the Russian government has itself created conditions inimical to the independent flourishing of these organizations, not least by persistently labeling them as agents of U.S. interests that seek to foster instability or "color revolution" in Russia. But it seems unlikely that the civil society institutions supported by two decades of U.S. democracy assistance have generated sufficient interest in, and support for, their activities among the Russian public to allow them to continue operating in the absence of foreign funding. The strategy of investing in democratic and civil society institution-building was based on the incorrect assumption of an inherent organic demand for civil rights and democratic institutions on the part of Russians.

The Missing Link between University Education and Democratic Norms in Russia

One reason many assumed that the Russian public wanted democracy and civil society is its high proportion of university graduates. The idea that university graduates are particularly likely to support civic and democratic values is a staple claim of political sociology, evident in classic works by Seymour Lipset and Gabriel Almond (as co-authors) and Sidney Verba. Higher education purportedly broadens the outlook of individuals, opening them to the wide spectrum of experiences, interests, and values in complex modern societies, giving them a sense of their own political efficacy, and encouraging them to advocate for political institutions that protect their rights to articulate, aggregate, and organize in pursuit of their interests. In Russia, survey-based studies in the late Soviet period indicated university graduates were more supportive of *glasnost* and *perestroika*, confirming an argument from the late 1960s that the highly educated were likely to chafe under Soviet-style political strictures.

* United States Government Accountability Office. Report to Congressional Committees: DEMOCRACY ASSISTANCE. September 2009, p. 46.

† Ibid., p. 22.

However, the lack of strong support for civil and human rights norms within the Russian public reflects the low levels of support for them among university graduates. A significant body of survey research has shown that Russian university graduates scarcely differ, if at all, from their less educated compatriots in their outlook on questions pertaining to support for democracy.

Consider several examples from surveys commissioned in recent years by the Center for Strategic and International Studies (CSIS), with funding from USAID and the Ford Foundation. In a 2010 survey of 2,009 20-to-59 year-olds, 23 percent of university graduates and non-graduates alike agreed that protecting freedoms of expression, association, and thought should be a “top priority” of the Russian government. The overall level of support for prioritizing civil liberties is up from earlier in the decade but still only shared by less than one quarter of Russia’s population, and there was no variation by university degree. In a 2005 survey of 2,000 young Russian adults, only 21 percent of higher-educated respondents said that the Orange Revolution was good for Ukraine, versus 23 percent of those without a higher education degree; graduates of higher education were also more likely to say that it was bad for Ukraine (35 vs. 29 percent). Combining that survey with a 2007 survey of 1,802 respondents in the same age group, higher-educated respondents were somewhat more likely to agree that “democracy is always the best form of government”; however, fewer than half agreed (43 vs. 38 percent of non-graduates of higher education). Graduates of higher education were also more likely to agree – by a larger margin – with another statement in the same question: “sometimes authoritarian rule is preferable to democracy” (43 vs. 34 percent). In these surveys, the higher educated were equally likely as those without higher-educational degrees to agree that “foreigners fund NGOs only in order to meddle in our affairs” (62 percent), only slightly less likely to agree that “overall, Stalin did more good than bad” (53 vs. 55 percent), and equally likely to agree that the best form of government for Russia is “pure democracy, with no authoritarian elements” (24 percent). They were also equally or more likely to express hostility or fear toward a range of ethnic, national, and religious groups, including Americans.

These findings are particularly telling because the university graduates in the 2005 and 2007 surveys all completed their studies during the post-Soviet era. The weak or absent positive association between higher education and support for democratic government obtain in surveys of the general population conducted earlier in the 2000s. The examples illustrate that higher education in Russia has not had the democratizing impact observed in most other countries. As a result, there is no constituency in Russia favoring the pro-democratic civil society institutions supported by U.S. democracy assistance, which has been engaged in a futile task of bolstering institutions in which the Russian population has little interest.

Explaining the Missing Link between University Education and Democratic Values

There are several possible explanations for the evident lack of support for traditional democratic and human rights norms on the part of Russian university graduates. Russian higher education graduates may expect to hold elite positions in society and

therefore embrace the values of the political elite. The discrediting of “democracy” during the economic turmoil of the 1990s may have been especially strong for the university educated, given the relatively high economic suffering of professionals.

But the most likely cause is the “technocratic” approach that Russian higher education inherited from the Soviet era. The Soviet regime explicitly sought to produce university graduates who were technically skilled but narrowly specialized in their field of study. This philosophy was hardly unique to the Soviet system, but it was institutionalized more thoroughly there than elsewhere. Prospective university students had to choose a field of study before even applying, and their entire course of study was geared toward classes in that specialty. Rather than encourage critical thinking and writing skills, Soviet pedagogical practice emphasized memorization and mastery of facts. In contrast, the “liberal” approach to higher education emphasizes exposure to a broad range of disciplines and schools of thought; the development of analytical skills, creativity, and originality of thought; and a willingness to challenge received wisdoms. Nothing about the technocratic form of higher education would be expected to produce the democratic and civic orientation associated theoretically with higher education, which in fact assumes a classic “liberal” approach to instruction.

Proposed Solution: More and Deeper Exchange Programs

If this explanation has merit, then a promising policy to generate more demand for democracy and civil liberties within the Russian public over the long term would be to dramatically increase the scope and enrich the content of academic exchanges and partnerships between the United States and Russia. Exposing large numbers of Russian students directly to life in the United States and to the culture and traditions of liberal education that still prevail in most U.S. institutions of higher learning may foster greater demand for democratic and participatory institutions among university educated Russians, as well as more positive views toward the United States. Effective exchanges work in both directions: U.S. students in Russian universities also establish lasting personal connections with Russian students and bring to the table their norms and expectations regarding political institutions and critical thinking about political issues. Apart from conventional academic exchanges, innovative programs that directly link Russian and U.S. universities also hold considerable promise. An encouraging example is the dual degree program in liberal arts from Bard College and Smolny College in St. Petersburg. More of what the program’s founder, Susan Gillespie, calls “deep partnerships” between U.S.-based and Russian institutions could significantly increase the exposure of Russian students to U.S. academic culture, and vice versa. In addition, new forms of cooperation between teams of Russian and U.S. students via international service learning projects and enhanced faculty exchanges should also be encouraged.

According to data compiled by the Institute of International Education, Russia ranks 25th in terms of the number of its students studying in American universities, with a paltry 4,692 students in 2010-11, down substantially from the peak of 7,025 in 1999-2000, while the overall number of foreign students in the United States has grown by

about 50 percent since that time.* Russia does not even rank in the top 25 destinations of study abroad for U.S. university students, of whom a mere 1,828 matriculated in Russia in 2009-10. Programs such as the celebrated Edmund S. Muskie graduate fellowships are too small in scale. The Bard/Smolny joint-degree program is notable not only for its success, but also for its unique nature. In sum, the current levels of academic exchanges and peer-to-peer programs linking Russian and U.S. universities are far too meager to have a noticeable impact on the political orientations of Russian university graduates. These numbers should be increased by several orders of magnitude in order to realize the potential of academic exchanges and partnerships to generate more demand for democracy among Russia's university graduates.

In order to promote greater demand for democracy among university graduates in Russia, the U.S. government should vastly increase its financial support for educational exchanges and provide U.S. universities with incentives to develop new partnerships with Russian institutions. Exchanges can be costly, and new partnerships require risky initial investments. U.S. universities face difficult financial circumstances and are loath to take on new ventures that do not help their bottom lines. Government incentives can motivate universities to substantially increase the scope and depth of exchanges. For its part, the Russian government has recently devoted substantial resources to improving the country's system of higher education, and it has sought increased collaboration with foreign scholars and institutions as part of these efforts. Although its approach has been largely technocratic, there is no reason why enhanced exchange programs and deeper institutional partnerships could not be incorporated into the reform agenda in ways that the Russian government would find advantageous.

Time for New Approaches to Democracy Assistance

Although university exchanges and partnerships are not often considered an important form of democracy assistance, it is time for a completely new approach to Russia. Whatever the merits of the civil society programs of the past two decades, Russian political reality is highly unfavorable for continuing the old approach. There is no guarantee that shifting democracy assistance funds toward academic exchanges and partnerships will increase demand for democracy among Russian university graduates. But the proposed measures will have many positive benefits for all parties even independent of their possible democratizing effects. They are politically palatable, and even desirable, to both governments. They represent an innovative approach to democracy assistance that will be far less costly to implement, both economically and politically, than the civil society programs that have had little to show after two decades.

* *Open Doors: Report on International Educational Exchange*, Institute on International Educational Exchange, 2011 (www.iie.org/opendoors).

The Passive Majority in Russian Politics

CAN QUALITY BEAT QUANTITY?

PONARS Eurasia Policy Memo No. 212

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Reacting to the events in Moscow of May 6, 2012, when opposition protests led to massive clashes with the police for the first time, Russian presidential spokesman Dmitry Peskov described the protesters as “marginal personalities” who were far outnumbered by those demonstrating in support of President Vladimir Putin. This assessment is widely shared by Russians loyal to the regime, both officials and ordinary people. At a superficial glance, it is also corroborated by polling data. These show support for Putin at levels above 60 percent, while opposition meetings are approved of by about a quarter of voters, with less than 10 percent ready to take part in street actions themselves.

Unsurprisingly, these figures cause little enthusiasm on the part of anti-government activists. In particular, they argue that opinion polls cannot be trusted because their results are suspiciously similar to the outcome of the elections: since the elections were rigged, it can only mean that poll results have been falsified too. This concern has been voiced most dramatically by the president of the INDEM foundation, Georgy Satarov, who in April 2012 described electoral sociology as a “whore” that “is used by the authorities to cover up the ignominy of their falsifications.”

In this memo, I argue that these mutual accusations are based on a number of misconceptions. In particular, they fail to take into account the important difference between political activism (including street action) and voting. It is always a minority who takes politics to the streets, but the consequences of such actions can be radical and revolutionary. National elections, on the contrary, usually mobilize a majority of the adult population but seldom bring about radical change. A failure to appreciate these differences leads to conflicts and conspiriologal “explanations,” distorting the wider picture of what is going on across Russia today.

Passive Majority and Regime Support

Prior to December 2012, the oppositional social space in Russia was marginalized and fragmented. The sudden and massive mobilization of the opposition after December 2011 parliamentary elections led to a dramatic expansion and consolidation of various politicized social networks. Online communities were given a huge boost by the fact that many of their members took part in meetings and demonstrations and had a chance to communicate face to face with likeminded people. As I pointed out in a previous memo, the qualitative change in how their social environment was structured provided the opposition supporters with a much stronger feeling of support on the part of their social environment, something that is often termed “ontological security.”* Those who previously might have seen themselves as an insignificant minority while most of their compatriots rallied around Putin now felt they were part of a legitimate political force. Moreover, they claimed that this force represented the Russian people against the corrupt state that had been hijacked by the “party of swindlers and thieves” (the ruling party, United Russia).

There is no doubt that the opposition’s claim to represent the Russian people is as legitimate as the government’s. Theoretically speaking, since any political community is infinitely diverse, all claims to representation have equal status before they can be tested in practice. It is only political struggle that decides who gets the power to rule in the name of the people. Empirically speaking, it is also clear that the number of opposition supporters makes it an influential political force and that they might even constitute a majority in Moscow and St. Petersburg, or at least in some districts in these two major cities. These numbers would be much higher if Russian media were free and no political parties or movements were discriminated against. As it was, the number of votes cast for United Russia in parliamentary elections, and for Putin in the presidential one, were likely inflated to a significant degree by outright fraud.

At the same time, many opposition activists tend to underestimate the degree of support that the party of power, and Putin personally, continue to enjoy among the Russian public. This distorted vision is in many respects natural and even inevitable, and has to do with a number of sociological and psychological factors. Generally, people tend to follow media which largely represents their position, and to discuss politics with individuals who share similar views. The uneven geographical distribution of pro-government and opposition support increases the chances that an average Russian will receive positive feedback from their local environment. If one were to treat their own personal circle as a sociological sample, it would be one that was strongly biased in favor of their own standpoint.

This “excess” of ontological security that many people developed during the surge of political activity at the end of 2011 and first half of 2012 made them look at the results of opinion polls with amazement and mistrust. There are, however, additional factors that help explain the fact that pollsters cannot detect electoral fraud with a

* “Of Jackals and Hamsters: Dividing Lines in Russian Politics and the Prospects for Democratization,” PONARS Eurasia [Policy Memo No. 193](#), George Washington University (June 2012).

sufficient degree of precision. First of all, opinion polls and election results reflect the views of two different groups: respectively, the adult population as a whole and those who made it to the polling stations. The first group includes people who did not vote, either as a result of a conscious decision or because of a lack of motivation.

Second, according to the studies conducted by the Moscow-based Levada Center, the electoral behavior of up to half of Russian voters can be described as driven by either inertia and conformism or habitual submission. They might not hold strong pro-government views, but they still vote as they are told by their bosses or by state-controlled television channels.

Finally, as pointed out by Levada Center director Lev Gudkov in his response to Satarov, most poll samples are naturally skewed toward the social middle and under-represent those groups more likely to be in opposition (the most active people who work and travel more, the richest who value privacy, and the marginalized who fall through the mesh of official registers that pollsters have to use). An estimation of all these factors, according to Gudkov, gives the possible effect of electoral fraud at the level of 3.5-4 million votes, or 4 to 6 percent. If correct, this means that United Russia was supported by at least 40 percent of Russian voters while Putin would still have received more than 55 percent, even if the results were not directly rigged.

We know that such popularity relies to a large extent on brainwashing by the state-controlled media, but this does not make it less real in contemporary Russian political life. No other sources can provide any evidence to suggest a significantly different assessment. The image that some opposition activists seem to share of a government that is hated by the entire population and only held in power by blatant electoral fraud is an illusion.

The Active Minority: Going Beyond the Numbers

The argument in the previous section, however, does not validate Peskov's claim that anti-government protesters are a bunch of marginal elements with no serious political agenda. As indicated above, "the party of power" depends on passive voters who do not hold any strong political views and vote reluctantly and mostly under pressure. If their material interests are affected in the future (if, for instance, the government is no longer able to provide the same level of social security), it is very likely that they would, at the very least, refuse to support the regime.

Opposition supporters, on the contrary, are far better motivated and conscious about their political choices. Even when they do not vote, it is because they choose to boycott the elections, not because they are too lazy to go out on a cold winter day. Many who go to demonstrations irregularly are very active in their own web-based communities. The most important activity of this kind is sharing information that the authorities prefer to conceal, making the latter task very difficult, if not impossible.

The key point in this regard is that street politics rely on a very different arithmetic and are never conducted by a majority of the population. When the normal institutionalized political process breaks down and people go to the streets, it is the active minority that takes the fate of the nation in their hands. At the peak of

demonstrations against the massively unpopular East German communist regime in 1989, the number of protesters reached 500,000. The dictatorship of Hosni Mubarak in Egypt was brought down in 2011 by Tahrir Square protesters whose numbers never exceeded 300,000. Impressive as they were, these numbers never even came close to anything like a majority of adult citizens. Indeed, it would be completely unrealistic to expect every second adult in a country to be willing and able to leave their daily business and take part in a street action, even if they share its goals. What decided the outcome was a swing of the passive majority away from the government, which gave active adversaries of the regime a chance.

Russia's own recent record is also impressive. The 1991 coup in the USSR was not countered by any mass protest—instead, a relative handful of people gathered around the Russian parliament building in order to protect the democratically elected institutions of the Russian Federation. On the night of August 19, when everyone still took the plotters seriously, there were no more than 4,000 people there. Later on, when the failure of the coup became evident, their number increased by about tenfold. Barricades were also built in St. Petersburg and some of the capitals of the union republics, but the people who erected them were still a tiny minority in relation to the total population of the USSR. And yet, it turned out, they represented their respective nations, which were about to break apart from the Soviet Union.

In short, it is not numbers that decide the outcome of political crises but the overall political situation. In the Soviet Union in 1991, the crucial factors were that the miners and transportation workers were ready to go on strike, while the army was reluctant to use force against civilians. Such circumstances are difficult to predict in advance; political allegiances often switch quickly, especially in turbulent times. That nearly all normal channels of political communication in Russia today are blocked or distorted further increases the chances that the government will one day face an unpleasant surprise.

Conclusions and Recommendations

Recommendations on the basis of the above analysis critically depend on the target audience. Assuming that the key interest of the current regime is self-preservation, portraying the pro-democracy activists as marginal elements sponsored by the West is a smart move. This tactic is further supported by a number of new repressive laws that were hastily adopted in the summer of 2012. However, repression against the opposition does not solve the long-term problem of widespread paternalistic attitudes that hold the government directly responsible for the well-being of the population. A nation in which such attitudes are predominant is easier to govern during times of prosperity, but such periods inevitably come to an end. It is, however, unclear what can be done about this problem, as any systemic solution would involve a democratization of the Russian political system, something the current elites are eager to avoid by any means.

If, on the contrary, democratization is one's goal, it is important to be realistic about the degree of support the regime continues to enjoy, and to think ahead about a political agenda that could attract today's passive majority. The current liberal

opposition might lean too much to the right to be up to the task. A neoliberal phraseology emphasizing the interests of the entrepreneurial class, as well as a rather unsophisticated version of anti-communism, has little appeal among those social groups most likely to switch their loyalties away from the regime (industrial and agricultural workers). So far, the only political platform that sounds appealing to them is radical nationalism.

Finally, the recent crisis has led to a spread of conspiriological explanations even within academia. These greatly exaggerate the capacities of the Kremlin and its spin-doctors, obscuring the real state of affairs, and add nothing to our understanding of the current situation. The Russian state is indeed powerful and corrupt, but exactly because it is corrupt, it cannot be as powerful as some imagine. In particular, the Kremlin's influence over the results of elections is rather limited, and not every voter is brainwashed. In sum, various political groups in Russia enjoy far greater political autonomy than most mainstream analysts are prepared to admit. The way out of this predicament is to assess not just the quantitative but the qualitative aspects of the political landscape, in particular differences in motivation and mobilization patterns between pro-government forces and the opposition.

Is Russian Society Waking Up?

PONARS Eurasia Policy Memo No. 213

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In December 2011, a volcano of social activism that had long been dormant started to erupt in Russia, thrusting the country's domestic politics into headlines around a world recently captivated by the Arab Spring. Contrary to the expectations of the Kremlin and some observers, the eruptions did not stop after the presidential elections in March 2012, when Vladimir Putin was successfully elected president for the third time.

It is noteworthy that Moscow plays the role of the central square for the country, but the regions cannot be underestimated. In order to foresee further developments, it is important to understand the nature of discontent in Russia. What sparked the protests, where did they take place, who was involved, and where is the movement going?

Prehistory of the Latest Protests

The new tidal wave of large-scale social protests recalls the one that took place two years earlier, in late 2008-early 2009, in Vladivostok in the Far East and then in Kaliningrad in the far west. Geography matters here in two different ways: on the one hand, border regions had suffered more from the government's protectionist measures. On the other hand, Russian inhabitants of border regions are less paternal-minded and rely more on themselves than on the central government. At the time, Moscow used a combination of sticks and carrots to successfully pacify the protests.

However, mass dissent still poked up from time to time in different parts of the country. Each time the reasons were local and concrete, like anger at the closing of factories in factory towns (Pikalevo, November 2008-June 2009), pollution issues (Irkutsk, 2010; Krasnoyarsk, 2010-2011), or environmental degradation due to large-scale construction projects (Moscow region, 2010-2011). The last case is well known—the Khimki forest protests. These were the first to politicize and transform a local issue into a national one, receiving support in different parts of the country. Its prominent leader, Yevgenia Chirikova, became one of the leaders of the December 2011 political protests in Moscow.

Loss of trust in the state, especially among Muscovites, is another important factor in explaining what happened in December 2011. In the summer of 2010, there had been disastrous forest fires around Moscow. Authorities demonstrated both irresponsibility and an inability to react efficiently. At the same time, there were very inspiring cases of social self-organization by means of an Internet campaign to fight the fires without federal help. Then, in the fall of 2011, the Kremlin decided to dismiss longtime Moscow Mayor Yury Luzhkov. In order to diminish his popularity, the Kremlin organized an unprecedented propaganda attack accusing him of enormous corruption (and other sins). The attack against Luzhkov, longtime co-chairman of the ruling United Russia party and a pillar of the regime for almost two decades, achieved its goal but at the cost of accelerating a collapse of trust in the authorities.

The 2011-2012 Election Cycle Protests

The crisis of the Russian political regime, like the regime itself, is personal. It can be attributed to two persons: Putin and Moscow Mayor Sergey Sobyenin.

Putin, at the party congress, announced he was returning as president and said that this had been decided long ago between him and President Dmitry Medvedev. Such manipulation and the horror of having to live with Putin for twelve years more years caused frustration among many Russians who were tired of seeing the same face for so long and were hoping for some modest reforms stemming from Medvedev's rhetoric of modernization.

In December, the accumulated negativism toward the party of power resulted in relatively poor election results. This was especially true in Moscow, where the newly appointed mayor felt pressure to prove his effectiveness as a manager by delivering the needed results. Sobyenin ordered the reporting of a fraudulent vote count, just like his predecessor used to do. Thousands of Muscovites went to the streets to protest not so much the election results (the Russian parliament does not play any serious role in politics anyway) so much as the ugly methods of the authorities and the disdain with which they treated their citizens. Similar protests occurred elsewhere, including St. Petersburg, but as Russia is a very centralized country, what happens in its capital is of major importance. If only the Kremlin and Sobyenin had been more modest and reported the real 30-35 percent that United Russia had received in Moscow, instead of 47 percent, the political crisis would not have started in December.

Different political forces organized various protests for the night after the December 4 elections and for the next several days, but the first really large-scale rally took place on December 10 on Moscow's Bolotnaya Square. With 30-40,000 participants, this rally started a growing wave of protests. Similar smaller-scale actions took place in dozens of urban centers across the country. The Kremlin's expectations that these protests had let off enough steam proved false when another big rally on Moscow's Sakharov Avenue on December 24 attracted twice as many participants.

Before the March 5 presidential elections, there was one more large-scale action in Moscow—at Yakimanka and Bolotnaya on February 4, which gathered tens of thousands in spite of -20 degree (Celsius) temperatures. Other events included the

“white circle,” when people walked the Moscow boulevard ring-road. All these mass actions resembled carnivals: no animosity, a very friendly atmosphere, and a lot of humor in the form of creative slogans and other devices. These were not hooligans looking for buildings to set on fire. After the elections, the protests looked to have ebbed, though two rallies in the center of Moscow on March 5 and March 10 gathered about 15-20,000 each.

However on May 6, on the eve of Putin’s inauguration the so-called “March of Millions” gathered numerous protesters across the country, including 30-40,000 in Moscow, which ended in clashes with the police, who were brutal. Since then, protest activism has been ongoing but instead of approved rallies, they have taken the shape of people’s “festivities,” including a walk with writers at the center of Moscow on May 13 (attended by 15-20,000) and the tongue-in-cheek “Occupy Abai” camp at Chistye Prudy.

The Reason for the Protests

In general, there is growing dissatisfaction in society with the authorities and their treatment of Russia’s citizens. For many years, it has been assumed that a kind of social contract operates in Russia. This social contract is sometimes defined in different ways. Either citizens receive economic benefits in lieu of political freedoms, or the state does not interfere in people’s private lives while raising their standard of living, in exchange for citizens minding their own business and keeping out of politics.

When the economic crises came, it became less and less possible for the state to realize its part of the contract. A revision of the whole scheme became inevitable. The Kremlin’s tacit pact with Russia’s conservative popular majority to deliver public goods in exchange for votes still holds. But the other pact with the modernized minority of the population—we do not interfere with your pursuits, and you stay out of politics—has frayed, probably beyond repair. Precisely those Russians who, under Putin, have enjoyed virtually unlimited freedom of self-expression and self-fulfillment are now broadening their vision to include civic values and political issues. With many of them, the private no longer trumps the public.

In my view, there is a single social contract but different social groups, including regional ones, get dissatisfied with it at different times and due to different reasons. Latent dissatisfaction converted into protest actions in Moscow due to the conduct of the 2011 parliamentary elections. Unlike in previous cases of socioeconomic protest, it is difficult for the Kremlin to isolate and pacify Muscovites without changing Russia’s political system. At the same time, it does not make sense to speak about an anti-Putin minority vs. a pro-Putin majority, but about a minority reacting publicly and more quickly while a passive majority also undergoes change, if not to the degree that it pours out onto the streets.

Who are the Protesters?

After the initial wave of protests in December 2011, different terms came to be used to describe their participants: new middle class, angry urbanites, urban creatives, new intelligentsia, and more. The term “middle class” is particularly intriguing. Usually the

middle class is considered to be relatively autonomous from the state and a frequent driver for change. In Russia, this is not the case because the majority of those who receive relatively high salaries are either state employees or workers of state companies. Over the last decade, however, several large Russian cities have seen significant growth in the post-industrial service economy. Those involved in services feel far more separated from the state.

So who exactly came to the protests? While 100,000 demonstrators in a city of over 10 million may still not be so many, what is key is that the demonstrators represented a cross-section of society. According to a Levada Center survey for the December 24 demonstration, almost two-thirds of the 761 respondents were younger than 40 years old, 70 percent had higher education, 46 percent were professionals, 25 percent managers and office managers, and 8 percent businesspersons.

Figure 1. Protesters on December 24 by political viewpoint

(Participants could choose more than one option.)

Democrats	38
Liberals	31
Communists “New leftists”	13
Socialists/Social-Democrats	10
“Green”	8
Nationalists-Patriots	6
Conservatives	3
Anarchists	3
“Antifascists”	2
“New leftists”	2
Others	4
Neither of them	6
Hard to answer	3

Also, sociologist Olga Kryshatanovskaya surveyed 112 of about 1000 participants of the Occupy Abai movement. According to her schematic*, the various components of the movement were as follows:

- (1) **Professional revolutionaries** – leaders and activists of unregistered parties with extensive experience in political struggle, election

*http://slon.ru/russia/kryshatanovskaya_sazhat_naavnogo_bessmyslenno_revoljutsiey_upravlyayut_akkauntty-787411.xhtml.

participation, and protest actions. They formed an organizational core of the protest.

- (2) **Celebrities, media persons** – they attracted media and public attention.
- (3) **Family members of professional revolutionaries** – they provided trustworthy support.
- (4) **Active bloggers** – they were an information army, telling people about the demonstrations and providing coordination of protest actions.
- (5) **Students** – manageable soldiers, brave, looking for action, driven, and filled with energy.
- (6) **Quiet intellectuals** – ideological skeletons of protesters appealing to the West as a source of truth and normality.
- (7) **Off-road vehicles** – marginal persons of different kinds, losers, unemployed, or party freelancers. They looked for entertainment and socializing.
- (8) **Political pensioners** – liberal radio station *Ekho Moskvy* fans. They were focused on politics and abolition of the regime.

Two-thirds of respondents had some kind of higher education, and 10 percent had at least two degrees. Their age varied from 16 to 90, and half of them were between 20 and 30 years old. Forty-five percent were professionals, including computer programmers, translators, lawyers, managers, bank workers, academics, and professors; 35 percent were university and high school students; and 15 percent were businessmen.

The protesters do not constitute a unitary political force. There are all kinds of small groups among them. They have no obvious leader or spokesperson. Being sophisticated intellectually, they are infantile politically. The good news is that they are not manipulated by any political force and represent a truly grassroots citizen movement. The bad news is that they do not have any concrete political program,

Shortsighted authorities consider the lack of influential opposition figures to be a benefit. They seek to foster this situation, to split the organizers, and to isolate those whom they consider to be the greatest potential leaders (like blogger Alexei Navalny and radical leftist Sergey Udaltsov). They do not realize that in the likely event there are more protests, a lack of leadership can lead to chaotic developments rather than the channeling of negative social energies into institutionalized channels.

Reactions of the Authorities

It was clear that the December protests shocked the authorities. The one idea they clung to was to survive until the March presidential elections.

The Kremlin's tactics toward the protests were based on two myths: first, that this has been an exclusively Moscow-based phenomenon, particular to those who are too well off for their own good; and, second, that the protests were of an electoral nature and would disappear with the end of the electoral cycle. In order not to aggravate the situation before Putin's election, they let the protests proceed virtually without any police interference. At the same time, political reform did not go forward besides proposals announced in January by Alexei Kudrin and Boris Titov, both of whom are close to Putin. The Kremlin also organized a set of their own rallies (dubbed *Putings*, short for "Putin meetings," by the opposition) to prove that even in Moscow Putin's supporters outnumbered his opponents. But after election day, the police immediately became tougher.

The scale of the May 6 protests amid spring vacations came as a surprise for both the authorities and the opposition. The Kremlin understands that something should be done to make the political system more flexible and less vulnerable but has not yet decided what to do. Recent moves on personnel and political party legislation give some cause to believe the space for public politics will be expanded.

Scenarios for the Future

In a May 2012 report, the well-regarded Moscow-based Center for Strategic Research discussed four future scenarios.* The two it considered most likely were "radical transformation" or "political reaction." The first anticipates the appearance of a coalition comprising promoters of modernization within the elites and the protesters. The second portends violent clashes between protesters and the police, suspension of reforms, and the triumph of the enemies of modernization. They considered another two scenarios, "accelerated modernization" and "inertial development" (including the gradual winding down of protests), to be less likely. Yevgeny Gontmakher of the Civil Initiatives Committee suggested that all four scenarios would probably be realized one after another: "First the inertial, then the reactionary with Putin trying to put protesters under pressure, then radical with disorganization, chaos, and eventual replacement of the regime. It is the new regime already that will finally launch modernization."

However, it already looks as if the political leadership understands that to survive and stay in power it needs to make Russia's political system more sophisticated and flexible, strengthening institutions and restoring elements of political competition and federalism. At the same time, the political transformation has already begun, in terms of letting political parties be registered and restoring gubernatorial elections. Such measures will push political reform forward whether the Kremlin likes it or not.

Authorities made a huge mistake by fighting growing social dissatisfaction rather than seeking to address complaints. If in the autumn the Moscow protests are renewed, accompanied by a new wave of socioeconomic unrest in the regions, the situation for the Kremlin will be far less manageable.

* <http://www.inosmi.ru/politic/20120525/192559732.html>

Regardless of how the situation develops, the events of last winter and spring played a highly significant and positive role. Not only did they launch the political transformation of Russia, they contributed to the accumulation of social capital and restoration of trust between individuals, provided a positive example of collective action, and helped transform Russians into active citizens.

Election Observers and Key Constituencies in Russia's 2011-2012 Election Cycle

PONARS Eurasia Policy Memo No. 214

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Election-monitoring reports from both international and domestic election observers often play a key role in post-election politics. The extent to which election observers are trusted or influential thus is of critical importance. However, while there is now a growing body of research on the quality of election observation, less is known about how crucial constituencies within the countries being monitored feel about and react to the verdicts handed down by election monitors.

In this policy memo, I look at attitudes toward election observers using data from an original survey of educated, urban, Internet-using Russian citizens taken two weeks before the presidential elections of March 2012. The data demonstrate a considerable degree of support for the right of observers to participate in elections, but some uncertainty over how much to trust their post-election reports. Moreover, despite support for both domestic and foreign election monitors, there is considerable opposition to allowing foreigners to fund Russian election monitoring organizations.

Survey Description

To assess attitudes to election observers, we conducted an Internet survey focusing on a key political demographic in Russia—educated, upper-income, Internet-using urbanites.* We refer to this group as Socially and Politically Active Russian Citizens (SPARCs). We defined SPARCs as prosperous people who possess a higher education, live in major cities (with a population of more than 1 million), and are frequent Internet users. About 1,200 respondents participated in 20-25 minute-long surveys probing their attitudes and responses to election observation and other topical political issues.

* The survey was conducted two weeks before the March presidential election. Respondents were solicited from internet panels of more than 350,000 participants by a leading market research company. Respondents were chosen at random among 16 to 65 year olds from cities with a population of more than 1 million. Only respondents with at least some higher education and who reported having enough money to buy at least some consumer durables completed the full survey.

We decided to focus on this demographic, rather than the population at large, for three main reasons. First, in the Russian context in particular (though this is very likely to hold in other contexts too), middle class urbanites have played a key role in recent politics and, in particular, the protests that took place after the parliamentary elections of December 2011. This is especially true of Internet users—the so-called “hamsters” — whose political activism has been the subject of considerable discussion in recent months. Second, while broad national surveys indicate little knowledge of election monitoring organizations, SPARCs demonstrate considerably higher levels of knowledge of election monitoring groups. This is important because the additional knowledge of this group meant we could expect more meaningful answers to more detailed questions. Third, while the opinions of this group are not representative of the population as a whole, there is evidence in public opinion research that broader populations can be prompted by the views of opinion leaders like those who fit the SPARCs demographic profile.

The survey was administered online between the parliamentary elections and the presidential elections, ending two weeks before the latter. Respondents were randomly assigned one of four texts to read before being asked a series of questions about their attitudes toward election observers. The texts were lightly modified versions of reports that had appeared in Russian newspapers around the period of the election. The first text was neutral, stating that parliamentary elections had been held, noting the number of candidates, parties, and voters, and the fact that all parties in the outgoing parliament were represented in the new one. Respondents in this group are referred to as “Neutral” in the results tables. The second text contained the neutral text, but it also mentioned the leading domestic election observation group in Russia, *Golos*, detailing some of the criticisms *Golos* had leveled at the elections, and noting that *Golos* is a Russian organization that has been working on elections since 2000. This text is referred to in the tables as the “Golos” treatment. The third text was identical to the second, but instead the criticisms were presented as coming from the OSCE. Additionally, some descriptive information on OSCE monitoring was provided. This is the “OSCE” treatment. Finally, in a fourth text, the descriptive information on *Golos* was replaced with a modified text from a Russian tabloid story that had appeared on the eve of the elections. This story described *Golos* as having close ties to the U.S. State Department and receiving not just moral support, but also detailed instructions and money. This is the “GosDep” treatment.

The range of treatments allows us to examine several different aspects at once. By comparing “Neutral,” “Golos,” and “OSCE,” we can identify whether knowing that observers were from a Russian organization has any effect on the evaluations respondents give to questions about election observers and whether this impact is similar to, or different from, the associations of the OSCE brand. In addition, the “GosDep” treatment allows us to consider whether reminding respondents of the claim that *Golos* receives funding from U.S. government sources has any effect on attitudes.

Results

The first thing to note about attitudes to election observation among the SPARCs group is that there are important differences between respondents' views of whether monitoring organizations should have the right to monitor elections and their views on the trustworthiness or reliability of election observer reports. While SPARCs overwhelmingly support the right of observers to participate in the electoral process, they are considerably less certain of the claims observers make in the post-election period.

More than 80 percent of respondents supported either free or only lightly regulated access of observers to polling stations (**Table 1**). Interestingly, support for free access was highest among respondents who were specifically prompted to think either of the Russian organization, *Golos*, or of the OSCE. This suggests that both these organizations enjoy a respected "brand name" among educated, upper-income urbanites in Russia. Moreover, even among those who were prompted to think that *Golos* receives instructions and money from Washington, there was almost no support for forbidding election observers.

Furthermore, respondents not only believed that observers should have access to polling stations, a majority believed that the presence of observers contributes to making elections more free and fair (**Table 2**). Some 60 percent of respondents agreed with this position (which is actually quite controversial in the literature on election observation), while only 12 percent disagreed. Again, differences among treatments were small, although belief in the "observer effect" was slightly stronger among those prompted to think about *Golos* or the OSCE—even with the reminder of *Golos'* foreign supporters.

Nonetheless, despite high levels of support for observer access to polling stations, even educated, upper-income, Internet-using urbanites in Russia are uncertain about how to interpret the observers' announcements concerning the quality of elections. As **Table 3** shows, only about half of respondents said they trusted election observer reports either completely or somewhat. Again, "complete trust" was somewhat higher for those receiving the *Golos* prompt, though differences were small. On the other hand, only 11 percent expressed outright suspicion. More than 4 in 10 respondents remain to be convinced either way. Consequently, while we can conclude that there is broad support for the rights of observers to participate in Russian elections with minimal interference from the Russian authorities, there is still significant uncertainty, and hence, room for political contestation, over how to interpret observer reports.

Finally, given the ongoing controversy over foreign funding for Russian non-governmental organizations, and the hostility of the Russian government toward *Golos* in particular, we asked respondents how they felt about foreign financing of election observers (**Table 4**). We found that, despite high levels of support for election monitors, foreign participation in financing Russian domestic observation teams was greeted, even by SPARCs, with a much higher degree of skepticism. Some 44 percent of respondents thought that foreign financing of domestic election monitoring organizations should be banned completely, and a further 26 percent thought it ought to be tightly regulated. Only 22 percent of respondents felt that such assistance should be able to be given freely

or should only be subject to light regulation. Again, differences across treatments were minimal, although recipients of the *Golos* prompts were marginally more categorical in opposing foreign funding—a possible result of the Russian government’s consistent campaign against *Golos*.

Conclusion

Despite a widely cited post-Soviet suspicion of foreigners in general (Western intentions in particular), key Russian elites exhibit strong support for the activities of election observers, both domestic and foreign. There is also a belief that election observation in and of itself can contribute to making elections more free and fair. These supportive attitudes among what a key architect of the Putin-era political system, Vladislav Surkov, famously called the “angry urbanites” are particularly interesting in light of the Russian government’s sustained efforts to discredit election observers. If anything, mentioning the name *Golos*, or international OSCE observers, serves to strengthen, not weaken, attitudes toward observers’ right to participate in Russian elections and in their effect on the quality of the elections themselves.

It is striking in this context that attitudes remain very robust across each of the different prompts that recipients received. This suggests that attitudes are fairly well entrenched and that people are resistant to the (relatively subtle) written prompts we administered.

Nonetheless, the survey suggests that even among highly educated urbanites, there is still room for shaping attitudes toward observer reports. While support for access is high, a large section of the SPARCs population is unsure about whether or not to trust election observer reports. Interestingly, if only coincidentally, this uncertainty is consonant with a growing skepticism about the quality of election observer reports in the academic community.

Finally, our survey also suggests that at least as far as election observation is concerned, the Russian government is operating in a permissive context in cracking down on foreign funding. Even many educated, upper-income, Internet-using urbanites are skeptical of foreign funding and support legislation that makes it more difficult for Russian NGOs to receive it.

Table 1: What kind of access should observers have to polling stations?
(percent of respondents)

Treatment	Free Access	Lightly Regulated	Strictly Regulated	Forbidden	Don’t Know/Won’t Answer
Neutral	56	28	7	4	6
Golos	64	23	6	1	7
OSCE	64	23	5	1	7
GosDep	52	31	8	3	7

Table 2: To what extent do you agree that elections are more free and fair when observers are present? *(percent of respondents)*

Treatment	Strongly	Somewhat	Neither Agree nor Disagree	Somewhat Disagree	Completely Disagree	Don't Know/Won't Answer
Neutral	20	40	23	8	4	5
Golos	25	38	24	7	2	4
OSCE	24	36	29	4	2	4
GosDep	23	39	23	7	4	4

Table 3: How much do you trust election-monitoring organizations? *(percent of respondents)*

Treatment	Completely Trust	Somewhat Trust	Neither Trust nor Don't Trust	Somewhat Distrust	Completely Distrust	Don't Know/Won't Answer
Neutral	11	40	35	7	4	4
Golos	15	42	32	7	2	3
OSCE	14	35	38	6	3	4
GosDep	11	38	34	9	4	4

Table 4: Under what conditions should foreign governments be able to give money to domestic election-monitoring organizations? *(percent of respondents)*

Treatment	Freely	Lightly Regulated	Strictly Regulated	Forbidden	Don't Know/Won't Answer
Neutral	9	13	26	44	9
Golos	10	12	23	47	9
OSCE	9	11	26	44	12
GosDep	9	10	29	45	7

Thief or Savior?

CONTESTING PERSONALISM IN RUSSIA'S RALLIES AND PROTESTS

PONARS Eurasia Policy Memo No. 215

Regina Smyth
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"Russia Without Putin!" Such battle cries by anti-regime protesters took sharp aim at a pillar of Russia's electoral authoritarian regime: Vladimir Putin's *personalist* link to voters. With chants of "Putin-Thief" and "Putin-Leave" accompanied by derogatory posters and cartoonish effigies, Russian protesters crossed a very bright line: equating Putin with regime failings. The Kremlin countered with mass rallies, referred to as "Putings," which were designed to insulate Putin from opposition charges and to link together regime stability and national pride to Putin's candidacy. Dueling street actions became battlegrounds over competing political narratives, centered on Putin.

Political economists Jan Hadenius and Axel Teorell persuasively argue that personalism is best analyzed as a component of regime support in authoritarian regimes rather than a distinct analytic category. Over the last decade, Putin-era personalism has played an increasingly important role in the system that maintains regime durability. Putin's popularity ensured elite bargains and secured votes for the regime. In turn, vote support guaranteed Kremlin dominance of key political institutions—the parliament and presidency—and through these institutions access to revenue streams, clientelist networks, and policy levers essential to maintaining power without resorting to widespread coercion. The protests aspired to weaken the state capacity to win votes through this system by undermining personalism as a mechanism of state-society linkage and regime legitimacy.

The Rhetorical Battleground: Defining Putin

The emergence of post-election protests in Russia in December 2012 marked a critical juncture for the regime. Three months earlier, the decision to replace President Dmitry Medvedev with Prime Minister Putin as the ruling party's presidential candidate, crystalized latent public dissatisfaction with an increasingly authoritarian regime built around a single man. Labeled "the castling" by the Russia press, Medvedev's withdrawal of his candidacy in favor of Putin angered voters who saw politics as entirely determined by an elite game or strategy. A tentative opposition movement

emerged, based on a narrative of fundamental respect for citizens' rights based on free and fair elections, the end of "the party of crooks and thieves," and, most importantly, Putin's departure.

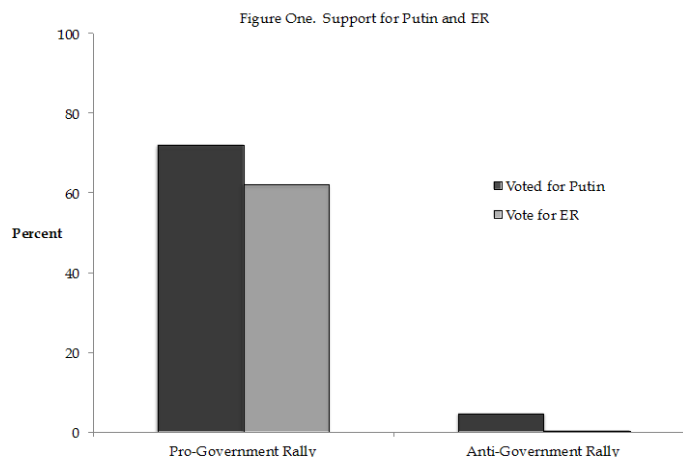
The regime responded to the opposition with a series of state-sponsored rallies based on slogans designed to show their loyalty to Putin: "Putin Loves Us All," "Vladimir Putin and Nobody Else," and "Those Who Hate Putin Hate a Strong Russia." Support for Putin was linked to a love of country and its culture. The regime evoked familiar nationalist symbols of war victories and traditional cultural symbols of national pride to activate collective identity. The rhetoric at rallies echoed these symbolic appeals and deified Putin through overlapping narratives of a common enemy, the moral responsibility of civil society, and challenges to national unity. The principal foundation for these narratives was the stability that would be delivered through Putin's leadership.

This memo explores the impact of the rhetorical battle on mass opinion using survey data of protest and rally participants collected in early March 2012 toward the end of the cycle of state rallies.* The evidence drawn from the survey underscores that competing images of Putin were reflected in the attitudes and behavior of respondents on both sides of the regime divide and reveals the potency of personalist linkages for different citizens.

Putin Must Go: Stability, Reform, and Votes

The rise of this new opposition movement was particularly ill-timed for Putin. Decline in support for the Kremlin's party, United Russia (UR), in December 2011 parliamentary elections signaled potential trouble for his return to the presidency. In response to the threat, the Kremlin unleashed a largely successful campaign, including mass rallies, to ensure overwhelming victory three months later. Yet, despite this short-term success, the Kremlin's strategy also revealed significant weaknesses in regime support, prompting an increased dependence on personalism to shore up crumbling electoral support.

Figure One provides clear evidence of the dilemma faced by the regime. It illustrates the stark difference in voting behavior between protesters and pro-government rally participants. Neither UR nor Putin had any significant



* The data were collected in face-to-face interviews at protest events in late February and early March by students affiliated with the Laboratory of Political Research at the Higher School of Economics. This analysis is based on a sample of 363 respondents from the pro-government rallies and 484 respondents from the anti-government rallies. For a complete description of our data collection strategy please see the data appendix at: <http://politlab.hse.ru/Protests>.

support among protesters in 2011-2012, suggesting that the relentless anti-Putin rhetoric captured and reinforced protesters' underlying attitudes. Their behavior was a clear rejection of personalism.

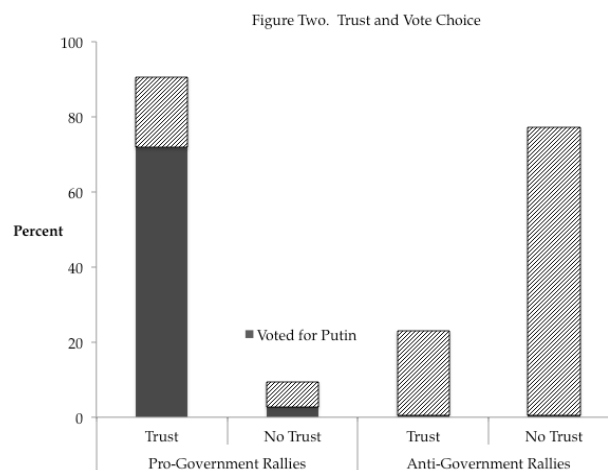
In contrast, among rally participants, vote support for the regime surpassed the national average, but it was not unanimous. Studies of voting behavior based on national surveys of voters by Colton and Hale, White and McAllister, and Rose, Munro and White demonstrate that personalism played a role in vote choice for these citizens: votes for UR have always increased on Putin's coattails. However, the 13 percent difference in vote totals in the parliamentary and presidential races demonstrates Putin's personal appeal for voters. It also suggests that the rallies activated this support with the argument that Putin would personally serve as a hedge against political instability and the potential for a new revolution.

Despite this strong support, a surprising 25 percent of rally participants did not vote for Putin and approximately a third of participants abandoned UR. Moreover, these figures most likely underrepresent the skepticism in the crowd as participants received clear instructions about how to respond to questions and were also monitored by team captains during rally events. The bottom line is that even among the alleged core, support for Putin was not uniform.

Explaining Vote Support: Trust and Regime Satisfaction

An important aspect of Putin's personalist appeals is that they are differentiated, taking on different forms aimed at different constituencies. For some voters, personalism is a critical impulse determining vote choice—based on perceived interest, policy successes, or personal attributes. In the immediate pre-election period, rally rhetoric framed personalism as a hedge against upheaval, countering the message of the protests as revolutionary and dangerous as well as the direct attacks on Putin's appeal to voters. **Figure Two** provides a means to explore these nuances, focusing on the relationship between vote choice and trust in Putin.

Trust denotes a very particular relationship: the respondent perceives Putin as acting in their personal interest—delivering policy, side payments, or stability. Putin's trust levels over time have been high, and they are off the charts among rally participants: 90.6 percent. Rally respondents exhibited a strong correlation between trust and vote. However, Putin also won support from those who did not trust him, illustrating the power of the "Putin as the only choice" frame that was promulgated by both the reelection committee and the rallies themselves. Voters may not



have been entirely satisfied with Putin, but in the context of the other candidates on the ballot, he was the only viable choice.

These findings may also reflect a darker influence of the rallies. These high positive assessments, coupled with evidence that some respondents with high trust in Putin voted against him, suggest that respondents followed the imperative to act “as if” they supported the president by reflecting back the state’s narrative while reporting deviations in private behavior. The rallies established a pro-Putin myth that had to be adhered to despite personal beliefs.

Counter-intuitively, about 23 percent of protesters reported positive trust in Putin, an assessment correlated with better economic conditions. However, their positive assessments had no effect on vote choice, emphasizing the total rejection of personalist linkages among opposition supporters.

A second form of personalism stresses the candidate’s direct role in securing benefits for constituents—a personal responsibility for the successes of the regime. **Figures Three and Four** explore this form of personalism, examining correlations between vote choice and two assessment indicators, regime direction and pocketbook economic conditions.

The first significant finding across the two figures is that protestors hold far more negative assessments of regime policy than their counterparts at the rallies, particularly on assessments of the direction of the country. In general, these voters exemplify what we think of as normal politics, punishing the candidate who has not produced collective goods. As we see in the impact of trust, personalist linkages are rejected, as voters give Putin no credit for policy success—particularly as it relates to economic well-being.

In contrast, regime assessments are much stronger predictors of vote choice for rally participants, especially assessments of personal economic conditions. Yet, they are also not as important as trust in shaping vote support. On the whole, Putin receives credit for regime successes and limited blame for failures. Vote support among negative

Figure 3. Assessments of National Conditions and Vote

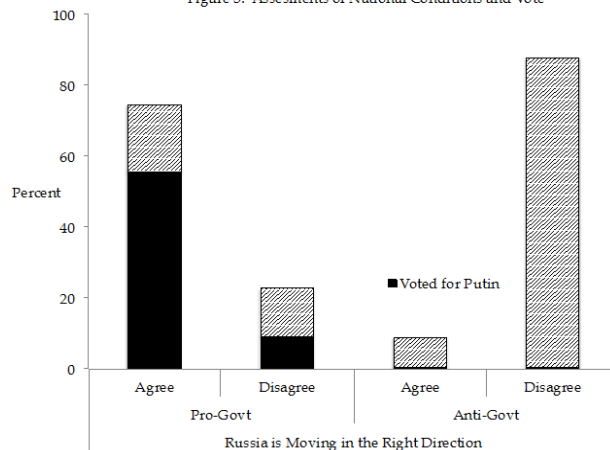
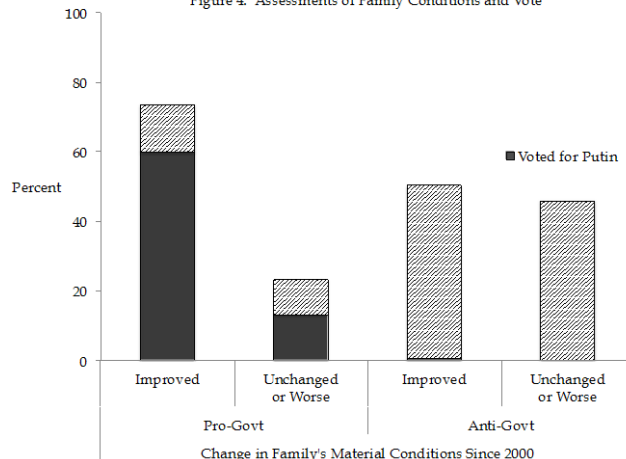


Figure 4. Assessments of Family Conditions and Vote



respondents suggests the triumph of rally strategies to shift blame toward internal and external enemies and away from Putin.

Conclusions: Personalism and Regime Support

The rival images of Putin in the rallies and protests define a clear attitudinal and behavioral divide. Anti-regime protests took direct aim at personalist appeals to undermine electoral support and to deprive the regime of control over alternative levers to maintain the electoral authoritarian regime. Following this cue, protestors themselves rejected personalism as a basis of regime support and blamed Putin for conditions in the country. Even the minority of protesters who reported positive assessments of Putin did not vote for him, rejecting all notions that he deserved credit for policy successes.

Among rally participants, popular attitudes toward Putin were much more positive and formed the basis of strong vote support. For these citizens, personalism remains a pillar of regime stability. The survey evidence suggests different types of personalist appeals rooted in trust and policy success complemented the “only choice” message at the foundation of the “Putings.” It also demonstrates that the state’s use of rallies to mobilize support and counter the protest message was effective.

Yet, the evidence also reveals that the regime faces two potential dangers. First, it remains unclear if the majority of voters, and particularly urban voters, look more like protesters or rally participants. If they resemble the former, the regime may face a crisis—even if it can deliver more tangible benefits. Second, Putin’s support, based largely in trust, remains vulnerable to scandal, external crisis, or illness, which may alienate stalwart voters and undermine the mechanisms that bind elites to the regime. Hence, while the dominoes did not fall in spring 2012, the protests rendered Putin more vulnerable and prompted significant changes in regime strategies—including a growing reliance on coercion—that will have serious unintended consequences.

Passive Eagle, Rising Dragon

U.S. POLICY TOWARD CHINA'S RISE IN CENTRAL ASIA

PONARS Eurasia Policy Memo No. 216

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China's rise as a regional power in Central Asia is nothing short of remarkable. Over the course of a decade, China has concluded border agreements with all of the Central Asian states, secured their cooperation in combating Uighur groups in Xinjiang, surpassed Russia as the region's leading trade partner, concluded a number of energy agreements and built supporting pipelines eastward, and established new soft power instruments. It did all this while couching most of its activities in the multilateral framework of a new-style regional organization—the Shanghai Cooperation Organization (which includes China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan)—that, unlike its Western counterparts, officially does not infringe on the sovereignty of its member states.

Yet, Western analysis of China's rise in Central Asia has remained strangely muted. On the one hand, some commentators have denied that Chinese activities even constitute “soft power” or significant regional influence, pointing to the region's traditional ties with Russia and the distrust of Central Asian publics about China's regional ambitions. On the other hand, U.S. policy generally remains guided by the post-Soviet framework of the 1990s, adhering to the principles of strengthening the “sovereignty and independence” of the Central Asian states, a slogan connoting reducing the region's dependence on Russia. From this perspective, U.S. policymakers have mostly welcomed China's challenge to traditional Russian influence in the region, despite the public image of a regional Russia-China “strategic partnership.”

However, as this memo contends, China's rise is not uniformly positive for either Central Asia or for U.S. interests and values across the region. Indeed, the emergence of a U.S.-Russia-China strategic triangle in Central Asia has ushered in a multipolar system of external influence, in which strategies are more contextual and partnerships more pragmatic than we are accustomed to thinking about. In support of this claim, this memo unpacks China's rise in two areas traditionally supported by Western policy: the energy sector and as an emerging external donor. In both cases, Chinese engagement

brings significant benefits to the region, but its actions also have unintended consequences that can even undermine U.S. goals.

Case One: China's Foray into Central Asian Energy

As has been well documented, upon gaining their independence Central Asian energy producers—Turkmenistan, Kazakhstan, and Uzbekistan—inherited large deposits of oil and natural gas but lacked the means to develop and transport these commodities to the world market. The problem was particularly acute in the gas sector, which (unlike oil) relies almost exclusively on fixed infrastructure for point-to-point delivery. Russia retained control over the old Soviet-era pipeline network designed to export Central Asian gas to Russia and then onto Europe, affording Russian giant Gazprom near-monopoly power in its negotiations with Central Asian states over supply contracts.

In 2009, the opening of the China-Central Asia pipeline shattered Gazprom's monopoly over Central Asian gas. The pipeline, constructed in just three years (2006-2009), originates in the gas fields of eastern Turkmenistan, crossing through Uzbekistan and Kazakhstan before reaching China where it connects to the domestic east-west pipeline. An additional spur will also bring Kazakh gas into the pipeline. Originally contracted for 30 billion cubic meters (bcm) annually, the pipeline now boasts two parallel lines with a third currently under construction that will boost the pipeline's capacity to 65 bcm a year. Legally, the pipeline is operated as three distinct joint ventures between China and each Central Asian government or state agency. In effect, this governance structure makes China the exclusive arbitrator of any future disputes about the pipeline's operations and supply among the Central Asian states. China's new gas pipeline has been accompanied by the completion of an oil pipeline that traverses the length of Kazakhstan, bringing oil from fields in the Caspian all the way east. The opening of these new major pipelines has also coincided with new energy-for-loans deals that China concluded with Turkmenistan and Kazakhstan in 2009.

Officially, U.S. officials have supported these developments, viewing them as positive factors in enhancing the sovereignty of the Central Asian producers and reducing their dependency on Russia, as well as adding to global energy supply more broadly.

However, upon closer inspection, China's rise as a regional energy power also raises a number of distinct challenges for U.S. interests. First, Western companies cannot match the extent of access and influence that their Chinese counterparts have secured. For instance, in Turkmenistan, Chinese companies are the only ones that have been awarded production sharing agreements (PSAs), including a \$9.7 billion PSA awarded in 2009 to a consortium headed by the Chinese state oil and gas company CNPC to develop the South Yolotan, one of the region's most important gas fields. While this agreement was officially distinct from the April 2009 energy-for-loans agreement, it seems reasonable to speculate that agreement made the Turkmen government more amenable to the CNPC bid.

Second, China's new supply deals with the Central Asian states may lead Beijing to actively discourage alternative gas pipelines from the area that traditionally have

been supported by the West, especially ones that might threaten to erode Chinese leverage over Central Asian pricing and volume. China is currently using the low prices it pays to Central Asia as leverage in its bilateral negotiations with Gazprom over prices. Similarly, Chinese national companies would be hesitant to support a Transcaspian pipeline that would connect Turkmenistan with European customers willing to pay higher prices. Tellingly, China remains publicly quiet about its view of the U.S.-backed Turkmenistan-Afghanistan-Pakistan-India pipeline (TAPI), but it also seems doubtful that it would support the pipeline's construction if the project threatened Chinese access to supply or existing pricing agreements, or enhanced U.S. strategic cooperation at the expense of relations with Beijing.

Finally, after shedding its dependence on Moscow, Ashgabat now risks substituting dependence on Beijing as its patron. Already, Turkmenistan has accumulated \$8 billion in debt to China and promised a substantial part of its future production. As in other areas of the world in which China has concluded such energy-for-loans deals, it is unclear how Beijing will wield its financial clout.

Case Two: China as an Emerging Donor and Public Goods Provider

Over the last decade, China also has emerged as a leading source of finance for regional development and infrastructure projects. Chinese assistance is not easy to categorize, as it is usually a hybrid of various flows that cut across OECD categories such as foreign aid, investment, and project finance. Within the Shanghai Cooperation Organization (SCO), Beijing has promoted the idea of financing infrastructure to connect the region with Chinese border areas and has supported the creation of a new regional development bank. In addition to the two high-profile multibillion-dollar energy-for-loans deals with Kazakhstan and Turkmenistan, Beijing has become a major funder and investor in Kyrgyzstan and Tajikistan, focusing on power generation, transmission, and new transport projects (roads and railways). Although many of these projects are routinely described as SCO in origin, they are, in fact, bilateral. Prior to the 2012 SCO summit, the Chinese Export-Import Bank was already the leading creditor to Tajikistan, holding \$900 million of debt or 40 percent of its overall foreign debt. This number will rise to 70 percent if new bilateral projects (a cement plant, coal-powered plant, mining projects, and road links) that were announced at the 2012 SCO summit are funded.

Most Western commentaries welcome this Chinese assistance and investment. After all, Central Asian infrastructure remains in a state of chronic disrepair and Chinese upgrades should contribute to regional development and the improvement of cross-border regional links. In essence, China is now the major "public goods" provider in the region, funding infrastructure and transportation projects for its own interest, yet spreading wider development benefits to the region at large.

But China's role as a donor also poses a number of challenges, rarely voiced publicly. First, on the governance side, China's lack of monitoring standards and aid conditionality, as well as its direct dealings with regimes, reduces the transparency of its projects and raises important concerns about governance. For example, following the construction of the Dushanbe-Chanak highway in Tajikistan, built mostly with Chinese

funds, the road's management company, registered offshore with reported ties to the presidential family, started charging tolls for the highway's use, making it practically unaffordable for lower-income Tajiks. Second, unlike in Africa, where persistent criticism about the role of Chinese aid has led to more coordination with external donors, in Central Asia China does not coordinate with Western or other international donors in Bishkek and Dushanbe. Third, the sheer scale of China's lending and assistance dwarfs existing commitments from other international sources. Following the 2012 SCO summit, China announced, once again, that it would provide \$10 billion worth of financing for infrastructure projects in the region. If enacted, the program, originally proposed in 2009 but tabled because of behind-the-scenes Russian objections and obstruction, will make China the region's clear major financier and investor.

Ultimately, when assessing the political impact of Chinese assistance, the United States and Western donors must be mindful of the "Angola scenario." In 2006, Angolan authorities spurred a loan offer from the IMF, after which China swooped in with a package providing financing in exchange for a stake in Angola's oil industry. So while Chinese aid and assistance may play a role in developing Central Asia's creaking infrastructure, it could do so both at the expense of exacerbating local governance problems and displacing international economic organizations traditionally influenced by the West.

Conclusions: Central Asia's Multipolar Politics and Embracing the Triangle

Western and Russian observers often downplay China's remarkable rise as a Central Asian regional power. Undoubtedly, Beijing's own low-key style, which utilizes buzzwords like "win-win" and "good neighborliness," while publicly deferring to Russian regional primacy, also has served to deflect greater international scrutiny. But beyond the rhetoric of Russian-Chinese strategic partnership, Beijing is accelerating its regional role, whether as a trading partner, energy investor, or foreign assistance provider. Moreover, recent announcements that China will provide scholarships and training for 30,000 Central Asian government officials and experts, 10,000 new scholarships for students, and training for 1,500 new Confucian Center teachers challenges the pretense that Beijing's interest in the region over the long-term remains purely economic. U.S. and Western policy must adjust accordingly.

In addition, rising strategic competition between Washington and Beijing over East Asia will almost inevitably spill over into other arenas, one of which might be Central Asia. So while it is premature to declare U.S.-China relations in Central Asia as "competitive," it also makes little sense for policymakers to rigidly adhere to the "anyone but Russia" axiom to frame U.S. strategic engagement within the region. Instead, officials should learn to embrace triangular Russia-China-U.S. dynamics in the region, nimbly pivoting between pragmatic strategic partnership and cooperation with Moscow or Beijing, depending on the issue.

More broadly, China's rise in Central Asia – and the West's muted response – highlights the need to develop a more coherent strategy towards Chinese soft power in so-called "third regions." Across Africa, Latin America, the Middle East, and Central

Asia, the issue of China's adherence to international rules and standards may well become the most effective tool available to confront China's rising stock and distinct brand of influence.

Central Asia's Cold War?

WATER AND POLITICS IN UZBEK-TAJIK RELATIONS

PONARS Eurasia Policy Memo No. 217

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At the end of 2011, Louise Arbour, head of the International Crisis Group (ICG), listed Central Asia among the top ten crisis areas in the world and a region that has the potential to see war in 2012. This turned out nearly prophetic. Within several months, the already-troubled relations between Uzbekistan and Tajikistan drastically deteriorated, triggering such labels as “economic blockade”, “rail war,” and “cold war.”

Uzbekistan and Tajikistan are the two most densely populated Central Asian states. They border Afghanistan and serve as key transit states for the Northern Distribution Network (NDN). Both states are ruled by unaccountable autocratic regimes that have not been willing or able to discuss pressing bilateral issues—energy, transportation, border disputes, and, most importantly, the management of water resources. Tension between Tajikistan and Uzbekistan is heavily politicized and shows no sign of easing.

Troubling Background

Uzbekistan played an important role in determining the outcome of the devastating Tajik civil war in the mid-1990s. Uzbekistan, together with Russia, supported the People's Front movement that propelled Emomali Rakhmon (then Rakhmonov) into the Tajik presidency. In the late 1990s, Tajikistan openly accused Uzbekistan of supporting Colonel Makhmud Khudoyberdiyev, a rebel who had earlier challenged Rakhmon's regime. Tashkent vehemently rejected these accusations, although various news sources reported that Uzbek President Islam Karimov had supported the rebellious colonel, who ended up in Uzbekistan in 1998.

The incursion of the militants of the Islamic Movement of Uzbekistan (IMU) into southern Uzbekistan through the Uzbek-Tajik border in 2000 marked the beginning of openly unfriendly relations. Uzbekistan accused Tajikistan of an inability to control militant activity on its territory and unilaterally put land mines along the disputed border areas. Although this action was apparently aimed at stopping the IMU from entering Uzbekistan, ordinary residents of the border area and their livestock were and

continue to be the main victims of the mines. In the same year, the two states introduced a visa regime, complicating the already troubled linkages between the peoples of two states.

The presence of sizeable groups of ethnic Uzbeks in Tajikistan and ethnic Tajiks in Uzbekistan remains an important hidden issue. While formally neither Dushanbe nor Tashkent have territorial claims on each other, in a scandalous interview in 2009 Tajik President Rakhmon openly stated that Tajikistan would one day return Bukhara and Samarkand,* referring to the two towns (and surrounding areas) of Uzbekistan that many in Tajikistan say represent Tajik culture and history and must be returned to Tajikistan.

The most recent escalation of relations, labeled a “rail war,” took place when Uzbekistan began stopping freight railcars going to Tajikistan. In November 2011, Uzbekistan completely shut down the Termez–Kurgan Tyube line (between the Gabala and Amuzang stations) because of a terrorist act that destroyed rails on the Uzbekistan-Afghanistan border (Termez is a main hub of the NDN). The Tajik government immediately accused Tashkent of staging a blockade of southern Tajikistan, which heavily depends on this rail route for everyday goods. According to news agencies, hundreds of rail cars with food, construction materials, gasoline, and humanitarian aid were stuck on Uzbek territory. In March-April 2012, tensions increased as Uzbekistan began dismantling the Termez–Kurgan Tyube railroad instead of repairing it. Furthermore, in early April 2012, Uzbekistan, at short notice, suspended supplies of natural gas to Tajikistan, referring to the “completion of contract obligations” and the need to provide gas to China. Tajikistan, with heavy energy and transport dependence on Uzbekistan, accused the latter of implementing an “undeclared and permanent economic blockade” of Tajikistan aimed at triggering social unrest in Tajikistan. Tashkent ruled out such interpretations, saying that its actions had been well-grounded and adequate.

Rogun: The Problem

While rail and energy trade and the tensions over them are hugely important, observers suggest that these are just tools in the two states’ main conflict over the region’s water resources. While over 75 percent of the Amu Darya, the region’s key water artery, is located on the territory of Tajikistan, the downstream states, most prominently Uzbekistan, are the main consumers of water for irrigation purposes. Hydropower is seen as the only type of energy that Tajikistan can produce, as it lacks any major sources of gas and oil. In the early 2000s, Tajikistan began active efforts to build several new hydropower stations on the basis of Soviet-era construction plans on the Vaksh, Panj, and other rivers that jointly form the Amu Darya. However, the construction of hydropower plants requires gigantic dams, which has been a key concern for Uzbekistan.

* Arkadyi Dubnov. “My voz’mem Samarkand i Buharu,” *Vremya Novostei*, Issue 228, Dec 10, 2009. Available at <http://www.vremya.ru/2009/228/5/243519.html>.

Today, the construction of the Rogun hydropower plant on the Vaksh river is the main agenda item for Tajik President Rakhmon. If and when completed, this plant will become one of the largest and most powerful in Central Asia, annually generating over 13 billion kilowatts per hour. More importantly for Uzbekistan, the Rogun dam will become the highest (335 meters) in the world and store over 14 billion cubic meters of water.

The Uzbek authorities have long loudly argued against the construction of large-scale hydropower facilities by upstream neighbors. They cite possible devastation due to an earthquake and a ruptured reservoir. Furthermore, according to Uzbekistan's government newspaper *Pravda Vostoka*, filling the Rogun reservoir would require a "drastic reduction" of water flow for at least 8-10 years, which would cost Uzbekistan at least \$20 billion.

Tajikistan stresses that its energy demands can only be sustainably met through hydropower. Many observers refer to the precedent of the country's Soviet-built Nurek hydropower plant, of comparable size to Rogun, as a facility that generates electricity for the upstream state while providing downstream states the opportunity to limit water flow in the winter and increase it in the summer (when water is most needed for irrigation).

Technicalities aside, sources in Tashkent and Dushanbe suggest that the gigantic Rogun facility is a political tool: Dushanbe is desperately searching for leverage against Uzbekistan, which controls nearly all transportation and energy grids that connect to Tajikistan, while Tashkent is unwilling to accept any increase of Tajik leverage in releasing water downstream.

Domineering Presidents

As the above suggests, the key water issues in dispute are technical. In principle, they could be discussed and negotiated by both states' relevant agencies. However, because of the deep distrust between Karimov and Rakhmon and the politicization of the issue domestically, it is hard to imagine the two states settling the issue bilaterally.

Rakhmon has claimed that Tajikistan has "no alternative to completing the construction of Rogun and other hydroelectric facilities" and that the construction of Rogun is "a question of life or death" for Tajikistan. Moreover, Rakhmon has not been willing to consider any revisions to the facility's technical parameters (for instance, its height). In 2007, the Tajik government annulled its agreement with the Russian company Rusal that was performing construction work on Rogun, claiming that Rusal was lobbying for the interests of Uzbekistan when it suggested decreasing the size of the dam. In May 2012, a member of the European parliament, Nicole Kiil-Nielsen, while sympathizing with Tajikistan's concerns over the energy deficit, suggested that it was necessary to avoid "megalomania" while planning the size of the Rogun facility, a statement that triggered criticism from her Tajik counterparts.



Uzbek President Karimov appears similarly committed to his plans not to allow the construction of Rogun. In October 2011, during his visit to rural areas of Uzbekistan, Karimov questioned, or rather claimed, “How can we allow for the people of Uzbekistan to live eight years without water until the Rogun dam gets filled?” Furthermore, he claimed that Uzbekistan’s irrigated land area would go from the current 4.3 million hectares to 10 million if there were no problems with upstream water flow. The Uzbek president never fails to mention the dying Aral Sea as another factor supporting his anti-Rogun position.

As the Tajik service of Radio Liberty and others have observed, both presidents have turned Rogun into a national slogan, which further deteriorates the relationship. While Rogun remains on top of the agenda, the two countries have many other water-related disputes, including control over the Soviet-built Farkhad dam in northern Tajikistan and the construction of other Tajik dams. There are no indications that the two sides are ready to compromise on any of these issues. Instead, one can observe regular rounds of rhetorical clashes, followed by actions like the railroad and energy blockades. The situation became even more tense in April 2012, when local media reported a concentration of Uzbek tanks and armored vehicles at the Uzbek-Tajik border. Similar reports were made by Tajik authorities in mid-December 2011.

For now, Tashkent and Dushanbe have agreed to receive an international assessment of the technical and environmental implications of Rogun before construction resumes. The assessment study, supported by the World Bank, has been ongoing since 2010 and final results are expected in early 2013, according to Tajik Foreign Minister Zarifi. However, in the context of the ongoing political rhetoric of the two domineering presidents, it is hard to imagine the two states agreeing to any conclusions or recommendations the study puts forward.

Conclusion

Tajik-Uzbek tensions are fueled and maintained by the poor personal relations between Karimov and Rakhmon. Both have used Rogun as an issue in their own national political narratives, which will be very hard for either of them to revise or reverse. Because they show no propensity for serious negotiations, the most likely outcome is a further toughening of Uzbek pressure on Tajikistan. In addition to railroads and natural gas, and the ability to easily cut off Tajikistan from the Central Asian electricity grid, Uzbekistan has strong control over Tajikistan’s main highways to the north—to Kazakhstan, Russia, and beyond.

The blockade and any responses to it will severely hit both the population of Tajikistan, which has already been living through hard socioeconomic realities, and that of bordering areas of Uzbekistan. While it remains to be seen whether the blockade will eventually make the Tajik regime more pliable, the latter will likely at least ascribe any further power cuts, fairly or not, to Uzbekistan. Further increases in Uzbek pressure will also force Tajikistan to actively seek alternative solutions to its transportation and energy needs, which will not necessarily help Tashkent and Dushanbe resolve their existing disputes. Close international attention and active mediation are needed to help

the two sides find a compromise and reduce the sufferings of their populations, especially given that the ingredients and solutions to their transborder conflicts are very much present in other bilateral relations across Central Asia.

Drug Trafficking in Central Asia

A POORLY CONSIDERED FIGHT?

PONARS Eurasia Policy Memo No. 218

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As strategizing for the “post-2014” regional order in Central Asia picks up speed, the fight against drug trafficking from Afghanistan is evolving as a key objective of international donor involvement in the region. It is also a major area of cooperation among key actors. The United Nations Organization for Drug Control (UNODC) wants to strengthen its role in Central Asia; the European Union will continue to finance the Border Management in Central Asia (BOMCA) program; the United States has launched a Central Asia Counternarcotics Initiative (CACI); and Russia wants to assume the head of a new international anti-drug campaign, if possible in cooperation with NATO.

This new attention on drug trafficking through Central Asia, however, is far from groundbreaking. Calls for the in-depth rethinking of regional security tools and innovative mechanisms are essentially rhetorical. Thus far, the strategy international actors have adopted is the same that was decided on in the 2000s, a decade marked by the widespread failure to combat drug trafficking from Afghanistan. To take but one example, heroin seizures in Tajikistan amounted to 4,794 kilograms in 2004 but only 1,132 kilograms in 2009, despite rising production in Afghanistan and an increase in transit along the so-called “northern route” through Central Asia. The fear of “spillover from Afghanistan,” often mentioned but never precisely identified, has appeared to paralyze implementation of innovative strategies and bolstered classic mechanisms related to border security.

This memo addresses three factors to help explain the uninspired start of the fight against drug trafficking in Central Asia. The first is an erroneous conflation of Islamic insurgency with drug-fueled shadow economies that primarily serve the interests of the ruling elites. Second is the implicit assumption that physical border checkpoints between Central Asia and Afghanistan can resolve the drug trade in the absence of a political will to fight corruption. The third is an excessive focus on security as opposed to demand reduction and treatment.

Confusing Insurgency and Drug Trafficking

The official narrative of Central Asian governments, echoed by all regional structures involved in the fight against drugs, is that terrorism and narcotics are intrinsically linked. In Central Asia, this assumption has been legitimized by the Islamic Movement of Uzbekistan's well-documented involvement in drug trafficking in its incursions into Tajikistan and Kyrgyzstan during the summers of 1999 and 2000. The linkage between terrorism and drugs in Afghanistan, however, is based on a very simplistic reading of the Afghan situation, whereby drug trafficking is just one way that the Taliban and their allies finance their activities.

It is necessary to deconstruct the conflation of drug trafficking and Islamist insurgency. This interpretation says nothing about the complexity of realities on the ground, including the lack of alternative agricultural opportunities for Afghan farmers, the role of warlords and patronage mechanisms, and the deep involvement of the whole administrative apparatus in the drug industry. In particular, this framing says nothing about the predominance of criminalized structures with political connections in high places. Indeed, in Afghanistan, drug trafficking has become an *official* activity as much—if not more—than it is an *insurgent* one. According to UNODC figures, in 2009 Afghan traffickers made an estimated \$2.2 billion in profits, while insurgent groups made only \$155 million. A similar profit-sharing proportion exists in Central Asia, where experts tend to separate the drug trade into three different types represented by the colors green, black, and red.

- “Green” refers to trafficking organized by clandestine Islamist movements to self-finance their operations. Its share of total drug profits is relatively low.
- “Black” consists of the trafficking of minimal quantities by small criminal groups or individuals at high personal risk (concealing drugs on their body or in clothing, suitcases, and so on) in order to supply local markets.
- “Red” refers to the largest share of the drug trade, organized by larger criminal structures with the support of some senior officials.

The distinction between the “black” and “red” types of drug trafficking is sometimes ambiguous. In particular, the relevant mechanisms of corruption in law enforcement agencies, border guards in particular, can appear to be the same. However, two differences may be observed. First, black trafficking involves far more limited quantities than the red one. Second, black trafficking presupposes corruption at lower echelons of the administrative chain and depends on the clandestine transportation of drugs. Red trafficking, on the other hand, is based on a well-structured pyramidal hierarchy that guarantees the smooth operation of the transport chain and distribution network.

National drug fighting agencies in Central Asia, which often act only under pressure from the international community, exclusively target the black and green sectors, leaving the red one totally untouched. On the rare occasions when red trafficking is uncovered, this is typically assumed to reflect the settling of scores among elites who have just had a political or commercial rival struck down. In Tajikistan, the fact that members of the presidential family are at the head of national agencies confirms the eminently political nature of these institutions (the same was true in Kyrgyzstan under former president Kurmanbek Bakiyev).

External actors that accept the narrative of Central Asian governments on jointly fighting terrorism and drug trafficking indirectly help to legitimize domestic policies of repression and rent-seeking strategies. It is easier for Central Asian governments to secure outside support by emphasizing the risk of terrorism and presenting themselves as victims, weakened by “spillover” from Afghanistan. This diverts attention from their own responsibility for the drug trade and legitimizes the repression of local Islamist movements by fusing notions of political opposition, Islamist extremism, and the drug trade.

The Border Security Illusion

Defining drug trafficking as a “spillover” effect from Afghanistan also leads to a poor assessment of the mechanisms that are needed to counter it. International institutions are focused on improving border security, principally its material aspects (like buildings, infrastructure, and equipment), again in accordance with the needs that local authorities express. In a recent report published by the Open Society Foundations, George Gavrilis showed how a focus on personnel training came much later, notably within the BOMCA framework. It is, of course, true that Central Asian states need better border security. Their border guards require better material conditions and training in new technologies and best practices. And as new states on the international scene, they require foreign assistance to rise to international standards.

However, it is naïve to assume that the fight against drug trafficking can be waged successfully with such measures. To secure a border with checkpoints, barbed wire, and watchtowers is not enough to make the frontier impermeable, as the recurrent failure of the United States to “close” its southern border with Mexico has shown. In Central Asia, all border points, even those that the international community has best equipped, are open borders, as corruption has rendered them permeable. Every entry into Central Asian territory can be negotiated (by buying a false passport, bribing a border guard to forego a document check, and so on). The smaller-scale “black” and “green” drug traffickers are the only ones that try to get across borders by avoiding checkpoints, through mountain passes or across rivers. The “red” traffic, on the other hand, utilizes the main roads and official checkpoints, recently upgraded with the international community’s assistance.

Central Asian borders with Afghanistan cannot be made secure by physical means alone. It requires the political will to fight against corruption, and for the long-term. To be effective, efforts to combat drug trafficking in Central Asia must therefore be

first political in nature. This does not only mean getting the principled consent of Central Asian governments. It also requires establishing measures similar to those in Colombia several years ago or those Mexico tries to implement today: forcibly separating criminal networks from their pawns in the state apparatus and fighting real wars, likely with casualties, against drug cartels.

Such an approach is unlikely to obtain the support of Central Asian ruling elites today, however, and the international community cannot force it upon them. Border security thus will remain the lowest common denominator for international cooperation, requiring important financial commitments for more than limited effectiveness.

From Supply to Demand

International efforts to combat drug trafficking from Afghanistan are distinctly focused more on production and manufacture than they are on demand reduction, treatment, and prevention campaigns. Strategies of prevention and treatment are considered national issues dependent on public policy, while the fight against drug trafficking is held to be the legitimate province of international and regional organizations. Thus, for example, UNODC's budget for Central Asia allocates only 11 percent of its funds to prevention, while 88 percent is assigned directly to the fight against drugs as well as against organized crime, corruption, and terrorism.

International actors' strategies for fighting against trafficking have been subject to contradictory interpretations. Russia, for example, wants NATO to go directly after production by destroying poppy fields and laboratories. In this context, the Russian government has put forward a "Rainbow-2" plan, a large scale poppy eradication program, and has lobbied the UN Security Council to have Afghan production declared a threat to global peace and security. Such a decision would enable sanctions to be imposed on Afghan landowners who authorize the cultivation of opium, as well as legitimize the destruction of poppy fields. However, NATO has refused to accede to Russian demands, on the pretext that it would be necessary to provide Afghan farmers alternative sources of revenue or risk worsening the image of the organization among the Afghan population. It has stated that it wants to focus eradication efforts against drug storage sites, so that the losses inflicted are targeted only at criminal settings.

When it comes to treatment, all Central Asian states are affected by their Soviet heritage. As the studies of historian and anthropologist Alisher Latypov have shown, the Soviet past, which places the medical and psychiatric domains at the service of law enforcement agencies, still carries great influence. The tendency to criminalize drug addicts complicates the implementation of effective prevention strategies. Alleging a synergy between insurgency, terrorism, and drugs does not lend itself to forming new approaches or creating more appropriate support structures for persons requiring care. Several Central Asian states, for instance, require treatment centers to transmit the names of drug addicts to security organizations. Moreover, treatment centers are poorly equipped and oriented around abstinence and zero tolerance. While Kyrgyzstan has accepted opioid substitution therapy, the latter remains quite controversial in most post-Soviet states, and Turkmenistan, Uzbekistan, and Kazakhstan are vehemently opposed

to it. In Uzbekistan, substitution therapy was termed “inappropriate” by the Ministry of Health and banned in 2009, while in Kazakhstan a recent official evaluation group concluded that substitution therapy is a “security threat” to the nation.

Conclusion

There is no easy solution for drug trafficking from Afghanistan, whether in terms of its impact on public health or the shadow economy it generates. The states of Central Asia cannot fight the problem alone. They are located on transit routes from Afghan production sites to Russian and European consumers. For the most part, they are limited in their abilities to allocate funds to the fight, to train personnel, and to build responsive policies. They must also contend with an underlying geopolitical competition, which sometimes creates rivalry between U.S. and Russian projects while turning NATO and UNODC platforms into arenas of power projection.

However, these limitations do not legitimize the poor assessment of external donors or strategies that are based on myths propagated by Central Asian authorities. These myths render the efforts of the international community both costly and largely in vain. If “post-2014 stability” in Central Asia is to be a real strategic goal and not just rhetoric, the drug trade from Afghanistan merits a more courageous assessment.

The Constraints of Partnership

CHINA'S APPROACH TO AFGHANISTAN*

PONARS Eurasia Policy Memo No. 219

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Given China's alliance with Pakistan, strategic partnership with Russia, and key role in developing the Shanghai Cooperation Organization (SCO), the Chinese leadership would seem to be uniquely placed to play a major role in Afghanistan. Indeed, the United States and NATO have long sought to secure China's constructive involvement, in particular urging China to provide more economic aid and to encourage Pakistan's cooperation with anti-terrorism efforts in Afghanistan. Nonetheless, China faces constraints in its bilateral partnerships with Pakistan and Russia as well as in its multilateral engagement through the SCO that will limit Chinese participation in international efforts to stabilize and develop Afghanistan.

Far from showcasing the SCO as an effective regional security organization, Afghanistan's regional security challenges thus far have highlighted its shortcomings. Similarly, China's partnerships with Pakistan and Russia have complicated Chinese foreign policy in Afghanistan. Instead of providing leverage, the Sino-Pakistani alliance has increased China's vulnerability to terrorist attacks and made Chinese leaders more cautious about participating in international efforts in Afghanistan, such as the Northern Distribution Network. China is now the largest foreign investor in Afghanistan, however, and has sought to integrate the country into Chinese economic and infrastructure networks in Central Asia, a strategy that may lead to tensions with Russia, which considers the region as its sphere of influence.

The SCO and China's Approach to Regional Security

Chinese analysts counter appeals by the United States and NATO to do more in Afghanistan by pointing to China's role in the SCO. The SCO has sought to promote political reconciliation, stability, and development in Afghanistan and to encourage it to

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develop good relations with neighboring states, first by establishing the SCO-Afghanistan Contact Group in 2004, then by hosting a special meeting on Afghanistan in 2009, and most recently in June 2012 by inviting Afghanistan to participate in the SCO as an observer. Despite these efforts, the SCO was unable to address Central Asia's most recent security crisis, the ethnic unrest in Osh, Kyrgyzstan, in June 2010, and has thus far proven unable to stop the flow of drugs. In fact, the SCO has recognized its own limitations; at the 2009 conference, it called upon the United Nations to play the leading role in ensuring stability and development in Afghanistan.

Instead of providing an opportunity for the SCO to demonstrate its effectiveness, the decade-long conflict in Afghanistan has exposed many of the organization's weaknesses and raised questions about its purpose. Some scholars like Zhao Huasheng, an expert on Central Asian affairs at Fudan University, see the SCO playing a key role in promoting political reconciliation and economic development in Afghanistan, but it is unclear how this could take place since Afghanistan, Pakistan, and India are just observers of the organization, not members. Zhao admits that Afghanistan is unlikely to be admitted as a full member of the SCO in the short term, due to instability in the country and the presence of Western military forces. He has also stated that the SCO should proceed with caution on membership for Pakistan due to its own instability and conflict with India.

Other Chinese experts view the conflict in Afghanistan (coupled with recent instability in member states such as Kyrgyzstan) as posing a fundamental test for the organization's claim to generally play a key role in regional security. Wang Haiyun, a senior adviser to the SCO Research Center and a former Chinese military attaché to Russia, has commented that if the SCO is unable to address regional instability, "it could lose its cohesive force, even to the extent that there could be a threat to its survival." As Pan Guang, Director of the Shanghai Cooperation Organization (SCO) Study Center in Shanghai, has observed, the prospect of spillover of the conflict in Afghanistan to Central Asia raises three new challenges for the SCO: 1) working out its role in ensuring energy security in case of threats to the pipeline network; 2) establishing a rapid reaction force; and 3) determining the role the SCO will play after the departure of the International Security Assistance Force. At the June 2012 summit, SCO members took some steps to improve the legal basis for their cooperation in emergencies, but the organization requires consensus for its decisions, which thus far has proven elusive on key issues.

The China-Pakistan Alliance and China's Role in Afghanistan

The United States and NATO view the Sino-Pakistani alliance as China's greatest form of leverage. Chinese analysts readily admit that there needs to be better coordination between Chinese policies in Central and South Asia but resist calls for greater pressure on Pakistan. China's refusal to become involved in the Northern Distribution Network (NDN) reflects its unwillingness to provide an alternative to Pakistan-based supply routes or appear to side with the United States against Pakistan. Chinese scholars argue that while China seeks to be viewed as a key regional player, it is likely to opt for a more

limited and cautious role that would enable the country to remain true to its policy of non-interference and avoid being directly involved in the Afghanistan conflict, particularly in any subordinate role to the United States and NATO.

There is a practical side to this policy – China’s effort to avoid being targeted by terrorists. This has proven less successful in recent years, however. Violent incidents targeting the 10,000 Chinese nationals working in Pakistan have increased. China has put increasing pressure on Pakistani leaders to stop these attacks and prevent Uyghur militants from using the country as a base. The increasing violence against Chinese also demonstrates that militants in Pakistan see advantage in driving a wedge between China and Pakistan, although these groups have yet to target China specifically because of its policies on Uyghurs in Xinjiang. According to Brian Fishman, a terrorism analyst, China’s period of relative immunity from attack by global jihadist groups is likely to come to an end in the near future, especially as China develops its ties with Gulf states and becomes associated with policies repressing Muslims elsewhere, for example in Syria.

Pakistan has tried to placate China by extraditing any Uyghurs China claims were part of terrorist groups, over the objections of international human rights organizations. When two bomb attacks in the city of Kashgar in Xinjiang in July 2011 killed 12 civilians and six militants, Kashgar city officials complained publicly that the two suspected attackers were Uyghurs who had trained in Pakistan. Chinese President Hu Jintao reportedly called Pakistani President Asif Ali Zardari to express his concern over the incident. Although some commentators reported that China subsequently requested permission for its own forces to go after suspected Uyghur militants based in Pakistan, highly placed Chinese and Pakistani analysts rejected such claims. In any event, the July 2011 incident showed that the Sino-Pakistani alliance was beginning to have negative consequences for the core Chinese interest of protecting the security of Xinjiang. Pakistan was deeply embarrassed by the incident, which led to China’s first public denunciation of Pakistan. Several high-ranking Pakistani officials rushed to China to provide reassurance, and Chinese leaders traveled to Pakistan for consultations. However, a September 27, 2011 commentary in the Chinese newspaper *Huanqiu Shibao* [Global Times] left open the possibility that China might resort to force, stating that “if violent forces in Xinjiang gain ground, China may be forced to directly intervene militarily in Pakistan and Afghanistan, but this is clearly not the situation China would like to see.” In November 2011, China and Pakistan held an anti-terrorism exercise, for the first time at the brigade level and attended by Pakistan’s Army Chief, which rehearsed exactly such a scenario. In December 2011 Xinjiang officials claimed to have apprehended 15 Uyghur terrorists (who reportedly got lost) en route to Pakistan for training, which Chinese terrorism experts viewed as part of a broader trend of Xinjiang-based terrorists seeking more systematic training “in neighboring states.” During a visit to Beijing in January 2012, Pakistani Prime Minister Yusuf Raza Gilani reaffirmed his country’s “full support to China’s core issues including China’s position on...Xinjiang.” Yet in March 2012, Nur Bekri, the top Chinese government official representing Xinjiang, chose to speak to China’s highest ranking legislative body, the National People’s

Congress, of the deep connections between some Uyghur and Pakistani militants, although he affirmed that the Pakistani government was China's "all-weather friend."

China-Russia Relations and Afghanistan

In several key areas, China and Russia share parallel interests in Afghanistan. They are both opposed to any long-term U.S. military basing in Afghanistan or Central Asia more broadly. They are skeptical about the likelihood of any definitive military solution to Afghanistan's problems. China and Russia regularly discuss Afghanistan in their bilateral meetings and agree that the SCO should be encouraged to do more to address its security concerns, especially in combating drugs and terrorism.

Unlike China, however, Russia views the ongoing conflict in Afghanistan as directly detrimental to Russian security since 35 percent of the 800 tons of heroin produced in Afghanistan annually winds up in Russia, according to Russia's Federal Drug Control Service. Despite tensions in other aspects of U.S.-Russia relations, Russia has cooperated extensively with the United States and NATO in the Northern Distribution Network and has even participated in a joint anti-drug mission with the United States.

Like China, Russia is not a major donor to Afghanistan (the International Crisis Group reports that Russia pledged \$239 million from 2002-2013 and China \$252 million). Both Russia and China are involved in training Afghanistan's police in combating narcotics trafficking. Unlike China, however, Russia has provided some limited military aid (by supplying helicopters, paid for by the United States, as well as parts). While China is now the largest investor in Afghanistan (with \$3.5 billion invested in the Aynak copper mine and a major oil investment), Russia is contemplating a \$1 billion investment in the country's electricity sector and seeking to restart Soviet-era infrastructure projects.

As China and Russia become more economically invested in Afghanistan, there is some potential for greater regional cooperation, for example if both states should participate in the long-discussed but equally long stymied Turkmenistan-Afghanistan-Pakistan-India gas pipeline project. More likely is that Afghanistan will become a new factor in the emerging Sino-Russian competition for economic and political influence in Central Asia, as both China and Russia seek to integrate it within their own networks. Alexander Lukin, director of MGIMO's Center for East Asian and SCO Studies, suggests optimistically that economic rivalry need not lead to "uncompromising rivalry." Nonetheless, China and Russia already are vying for influence in neighboring Tajikistan. In Russia, Tajikistan is viewed as a front-line state given its porous borders, problems with drug trafficking, and vulnerability to extremist movements, while China focuses on the opportunities to improve infrastructure links between Xinjiang, Tajikistan, and Afghanistan.

Conclusions

Two of China's most important neighbors and partners—Pakistan and Russia—are poised to play a significant role in post-2014 Afghanistan, but this will not necessarily be to China's advantage. Pakistan's own challenges with political stability and terrorism

have put Chinese investments at risk and magnified concerns over their neighbor's influence on Xinjiang. Although Russia and China share many interests in Afghanistan, their visions for a post-2014 regional environment are likely to conflict in much the same way as they do in Central Asia.

While both China and Russia talk about the SCO as the ideal forum for discussion of problems relating to Afghanistan's security environment, the organization's capacity to address current regional threats has been limited. The weakness of multilateral cooperation in the region leaves room for a bigger role by other players such as the United States, India, and Iran, which from China's perspective may further complicate regional politics.

Protests Without Leaders

MAKING MULTIPLE CHOICES INTO A SOURCE OF STRENGTH

PONARS Eurasia Policy Memo No. 220

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One striking and puzzling feature of the wave of protests that has risen in Moscow since the fraudulent parliamentary elections last December is the absence of a group of leaders united by common goals and organizational ties. Indeed, most successful “color revolutions” (or “velvet revolutions” before them) have had one or more charismatic champion. Take for example the Viktor Yushchenko-Yulia Tymoshenko duo in Ukraine in 2004, or the larger-than-life personalities of Vaclav Havel and Lech Walesa that defined the *anno mirabilis* of 1989. On the other hand, the list of triumphant leaderless uprisings—from Berlin’s Alexanderplatz (1989) to Cairo’s Tahrir Square (2011)—is also remarkably long. It is not so much the mythologized history of Russian revolutions as the excessively personalized nature of the current political system that compels observers and rebels to agonize over a key irresolvable question: “If not Vladimir Putin, then who?” It may turn out, however, that the confusing multiplicity of speakers who tried to capitalize on five minutes of fame at rallies on Bolotnaya Square or Sakharova Avenue is not proof of the weakness of the opposition, as President-again Putin tends to believe, but a source of strength.

The Old Guard and the New Energy

There already had been a hard core of professional protesters in Moscow before the eruption of discontent in December. It was only natural that these veterans tried to take charge of the unexpected exponential growth in crowd power. A few of them, such as Boris Nemtsov, Vladimir Ryzhkov, and Ilya Yashin, succeeded and have spoken or been involved in most of the rallies. Others, like Garry Kasparov, Mikhail Kasyanov, and, most notably, arch-oppositionist and leader of the *Yabloko* party, Grigory Yavlinsky, have essentially opted out, maintaining only a virtual presence in the fast-evolving campaign. What is clear about both groups is that the public attitude toward them was rather skeptical from the first large event on Bolotnaya Square on December 10, 2011, to the “season finale” on Sakharova Avenue on June 12, 2012; they are widely seen as déjà-

vu figures from yesteryear who try to stay relevant but have no clue about the aspirations and opportunities of the new agenda.

Three proto-leaders who managed to gain popularity with the masses and the attention of the media are leftist radical Sergei Udaltsov, anti-corruption blogger Aleksei Navalny, and eco-activist Yevgenia Chirikova, each of whom have built a network of followers. What has granted them credibility with wider audiences is that they have been neither tainted by former involvement with the “corrupt” establishment, like Kasyanov and Nemtsov, nor compromised by failures to build a meaningful opposition group, like Ryzhkov and Yavlinsky. Navalny is also networking with nationalists, while Udaltsov has scored many points by showing undeniable personal courage and a readiness to defy the rules for street protests as set by self-serving authorities.

One distinguished newcomer to the political arena is flamboyant billionaire Mikhail Prokhorov, who managed to gain 8 percent of the vote in the 2012 presidential election. However, he made only a few cameo appearances at rallies, on the assumption that his support base lies elsewhere. Former finance minister Aleksei Kudrin could hardly have been encouraged by the whistling that accompanied his speech at the Sakharova rally. Mikhail Khodorkovsky could emerge as a leader with unique moral authority, but only after he gains his freedom back, something Putin is determined to prevent. The uprising of the urban middle class inevitably generates splits in the ruling elite, but the street party is not very kind to defectors from the Kremlin camp, and it is definitely not ready to accept them as leaders.

Masters of Culture Take to the Streets

The obvious shortage of moral authority in Russia’s disorganized political “vanity fair” is compensated for by the firm engagement with the protest movement of a remarkably strong cohort of men and women of letters, images, tunes, and tweets. The impact of traditional and modern culture in shaping the brewing discontent among the “creative classes” was important even before the first Bolotnaya rally, but from that event on, a number of well-known artists have stepped forward to initiate and organize mass manifestations.

Keeping with old Russian tradition, writers play the most prominent role in this “cultural offensive.” Two such key figures have been popular novelist Boris Akunin and the variably gifted Dmitri Bykov, who authored a series of satirical shows called *Citizen Poet*. In the tense weeks after Putin’s inauguration, they staged a Writer’s Walk down the boulevards of Moscow. Thousands joined in, reclaiming the right to gather freely in the streets. Print and broadcast journalists added their numbers to the cause—three key members of this guild are Olga Romanova, Leonid Parfenov, and Ksenia Sobchak. There are also a good many bloggers, among whom Rustem Adagamov (Drugoi) stands apart. Together, these people provide appealing information coverage of the activities and make them a “must-go” for the cultural elites, but they do not venture to the podium. Rock music generally underdelivers in exploiting the rich protest theme, but Yuri Shevchuk has emerged as an iconic figure drawing in thousands of fans. Conspicuous

by their absence are movie stars and sports celebrities (although Putin recruited massively from these groups in the course of his election campaign).

It is striking that those like Akunin, Parfenov, Romanova, and Shevchuk have been propelled to take greater responsibilities than they expected, even though they are not entirely comfortable with their roles. This is not so much because they are able to hugely expand audiences by speaking at rallies and initiating discussion in the blogosphere, but because they command far greater respect than most aspiring politicians. This public trust doesn't rub off on Nemtsov or Yashin even when they are standing next to Bykov or Parfenov on the podium.

Micro-Party Politics and Regional Torpor

New legislation on registering political parties and on holding conditional elections for regional governors opens up an opportunity for re-organizing the opposition movement and, over time, facilitating the natural growth of strong leaders. Initial signs, however, are not so encouraging, and the shortage of time is not the only problem. Ryzhkov restored his Republican Party of Russia and merged it with PARNAS,* led by Nemtsov and Kasyanov, but in the eyes of many newborn rebels this outfit carries the baggage of old failures. Vladimir Milov formed the Democratic Choice proto-party and began to squabble with most other groups while seeking an alliance with *Yabloko*, which cannot re-energize its tired base among the post-Soviet intelligentsia. Prokhorov has discovered that his six million-strong electorate is not particularly keen to march under his banner and opted for registering a professional party, Civic Platform, that is supposed to provide various political and legal services to independent candidates. Kudrin reduced his aims to chairing an expert club called the Committee for Civil Initiatives, which could be useful for stimulating dissent in the ruling elite but has slim chances of becoming the nucleus of a liberal party.

Attempts to cultivate regional networks in order to add vitality to these micro-parties have brought sour disappointment. Prokhorov had an unpleasant reckoning with reality when, at the mayoral elections in Krasnoyarsk (supposedly his playground), the candidate he promoted came third, far behind the United Russia candidate, while turnout was just 21%. The campaign to rally support for challenger Oleg Shein in the crudely falsified mayoral elections in Astrakhan came to naught, first of all because locals were far more familiar with his checkered background than were the Muscovite "guests." The only regional activist who has managed to gain a national profile is Yevgeny Roizman, who runs the City Free of Drugs campaign in Yekaterinburg, but this fame has been seriously damaging for his cause. The middle class in most regional capitals may be quite skeptical about United Russia, but it is not ready to rise against Putin. Governors presiding over coalitions of local clans are also able to control the political situation, as the first series of regional elections this autumn is set to confirm.

* PARNAS: "People's Freedom Party For Russia without Lawlessness and Corruption"

New Political Wine into Old Wineskins

This evaluation of organizational setbacks and non-starters in the opposition camp may appear depressing, but what it really confirms is that traditional forms of structuring discontent have been exhausted, not least because Russia's quasi-democratic regime has invested so much effort into suppressing and compromising them. Putin's henchmen still target Udaltsov, Navalny, and Yashin with calibrated repression, anticipating that "decapitation" will lead to a de-escalation of protest. This policy is clearly not working, as the opposition rank-and-file respond with new mobilization efforts at every turn of the Kremlin screw, but it also does not turn the defiant dissidents into real leaders. The remarkably joyful crowds at the street rallies are not really looking for a champion of their cause; their short speeches provide entertainment rather than casting for a short list of finalists.

The multiplicity of not-quite-leaders makes it possible to unite a wide variety of grievances and aspirations under the "white movement" banner, but it also makes it difficult to formulate meaningful goals other than "Down with Putin!" Few protesters, for that matter, feel inspired by the amorphous *Manifesto of Free Russia*, which was presented at the June 12 rally (available at ej.ru). While some amount of this outpouring of discontent is undergoing a more traditional crystallization, as small groups form larger structures, a larger portion of the emerging creative class is opting for horizontal networking rather than vertical structuring. The rallies have provided a unique opportunity to transform virtual friendships of social networks into an easy camaraderie of street crowds, which in turn has provided a new impetus for the protest blogosphere to expand. This interplay of virtual and real worlds was captured by one of the handmade posters present at the June 12 rally: "Do you see this picture on your computer screen? Get out into the street!"

The joy of discovering a great many real people dissatisfied with their lack of political representation translated into a carnival atmosphere in the streets. But this breakthrough in the evolution of Russian society has not facilitated the growth of political parties. Instead, many experimental forms of political organization have sprung to life. They were visible for a week in the anarchist but perfectly disciplined "Occupy Abai" camp (named for a monument to Kazakh poet Abai Kunanbaev, where the roving protesters had finally settled). They then migrated into the parallel worlds of unregistered networks and social interest groups. It is impossible to measure what quantities of energy are accumulated there, but this diffusion phase is far different from the apathy and "internal emigration" characteristic of the mature Putinism of the late 2000s. Any spark, like the tragedy of Krymsk, which was hit by deadly flooding in July, could trigger a fusion of invisible networks, producing a powerful release of social energy.

Conclusion

In the coming round of escalation in Russia's political crisis this autumn, no single protest leader will emerge. Indeed, a breakdown in Putin's power structures would probably occur more quickly than the opposition would consolidate. It is also clear that

regional political dynamics lag far behind those in Moscow (with St. Petersburg coming in a not-very-close second). It is unlikely that a nationally-recognizable figure will emerge within the fragmenting political space from Kaliningrad to Vladivostok. This, however, does not mean that Russia is set to plunge into unstructured political chaos.

The opposition's immediate task is to double the average size of Moscow street rallies to 200,000-250,000 participants. This could be achieved by greater mobilization of students, which in turn requires recruiting several new young leaders rather than improving on the advertising of existing "goods." The turning point would be in another doubling to the half-million crowd, which could very well prompt an implosion of the regime, abandoned by its defenders. Such a breakthrough depends upon connecting streams of political and economic discontent by merging the "white" opposition with the left-leaning "have-nots." This could necessitate alliances with several factions in the Just Russia and Communist parties. The leadership podium would thus become even more crowded. This is a recipe for considerable quarreling and squabbling in any post-Putin turmoil—but not necessarily for disaster. The fundamental political challenge is not to empower a triumvirate of Messrs. X-Y-Z but to dismantle the over-centralization of power and to establish a broad coalition of diverse interests, a separation of powers, and a pattern of responsibility to the electorate – the kinds of things that one usually calls democracy.

Why “Reputation” Is Irrelevant in Russian Public Politics

PONARS Eurasia Policy Memo No. 221

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It is rather easy to find compromising information about the majority of Russian politicians irrespective of political affiliation. In established democracies, even just accusations of impropriety often end political careers. In Russia, however, connections with organized crime, financial machinations, shadowy lobbying, discrepancies between income and assets, plagiarism, dubiously secured academic degrees, infidelity, and so on rarely ruin political careers. In fact, there are many cases in Russia when even seriously compromised officials continue to hold their posts for years, and some are even promoted. Thus, to what extent does “reputation” matter in Russian politics? Why does a bad reputation fail to serve as an efficient mechanism for ending the careers of unscrupulous politicians?

This memo examines the factors that shape conventional meanings of reputation in Russian politics, explores why dishonest and compromised politicians are not removed, and investigates the influences the Internet has on the reputations of public figures. First, there is no clear public understanding of the criteria for political reputation in Russia today. Second, loyalty trumps character in the recruitment policy of today’s ruling regime. Finally, opposition leaders, who often use the Internet to expose scandalous cases, seem unable to persuade the public of their own moral superiority over supporters of the Putin regime.

Personal Integrity vs. Capability to Maintain Order

In the Soviet period, the reputations of top politicians were formed mainly through strict control over the media. Meanwhile, low-ranking politicians, who were more in touch with ordinary people, had to satisfy certain conventional moral standards (they had to be good family people, not heavy drinkers, and so forth).

After 1991, the number of independent media outlets increased dramatically. New information genres such as image-improving and smear campaigns appeared in Russian politics. The Russian public of the 1990s, being much susceptible to such

techniques and usually not having the wherewithal to verify such information, typically judged new-wave politicians as simply trustworthy or not, without scrutinizing their record. Furthermore, the socioeconomic crisis of the 1990s led to a shift in moral criteria applied to political leaders: charismatic strong personalities, able to impose and maintain order, could be easily forgiven for many shortcomings, including personal dishonesty and criminal connections. This is why military and security officers became highly popular types of politicians in the 1990s. Such people were perceived as reliable and trustworthy, notwithstanding any potential lack of scruples.

Unsurprisingly, perceptions of Putin and his underwhelming cadre were generally based on this ability to maintain order, surpassing any notions of personal integrity. However, when stability had been achieved in the 2000s, the deviousness of the ruling bureaucracy and the numerous abuses of power by military and security officers became more evident and less tolerable for the public. No wonder that opposition members, irrespective of their political orientation, stressed that Putin's regime should be removed because of its corruption and amorality; Alexei Navalny's famous expression of United Russia as a "party of crooks and thieves" perfectly reflects this trend.

Nonetheless, there is still a high demand in Russian society for politicians able to maintain stability. Pro-regime propagandists skilfully exploit this trend while they simultaneously call prominent opposition members unscrupulous and power hungry. Because of a lack of individuals enjoying high moral authority within both the loyalist and opposition camps, the public demand for integrity remains largely not personified while the demand for stability is personified in Putin and his team.

Why are Politicians with Tarnished Reputations Secure?

It is very difficult to make a career in Russia as a pro-government politician without sacrificing moral principles. Even leaving aside the temptation to make easy illicit money, every such politician will likely face the dilemma of being a person of integrity (who willingly hurts one's own career) and being absolutely loyal to one's patron, not refraining from illegal or immoral actions, such as participating in the falsification of elections, corrupt schemes, writing a thesis for a boss, or persecuting a boss' opponents. Even if a person of principle becomes a prominent pro-government politician because of a good personal reputation (for example, as a scholar or a sportsman), he or she will likely be compelled to support decisions and actions inconsistent with their principles, such as supporting the persecution of regime opponents or defending ill-reputed colleagues. Conversely, a well-established pro-government politician who has proven loyal to the "vertical of power" and made valuable contributions in strengthening the ruling caste (for example a governor who provided votes for the ruling party) may have good reason to believe that patrons will turn a blind eye to misdeeds if they are not too egregious.

High-profile scandals do not produce firings or resignations. Examples include when the head of the federal Investigative Committee Alexander Bastrykin allegedly threatened the life of a journalist in 2012, or Deputy Prime Minister Igor Shuvalov was

accused of profiteering, or former head of the Federal Youth Agency and *Nashi* youth movement leader Vassily Yakemenko was accused of having links to organized criminal groups in the 1990s, or Investigative Committee spokesman Vladimir Markin allegedly received a false higher education diploma, or, as is quite routine on a day-to-day level, officials commit serious traffic violations.

More outrageous is that accusations of serious moral and legal violations are not obstacles for career advancement. Take for example parliamentarian Vladimir Medinsky, who in 2012 became Russia's minister of cultural affairs, despite serious accusations of plagiarism in his dissertation. Not to be outdone, Serghei Bozhenov of Astrakhan was appointed governor of the Volgograd province, despite the fact that he was repeatedly and publicly blamed for conducting shadowy business dealings, abuse of office, embezzlement, persecution of political opponents, and the systematic falsification of elections.

Information pluralism, political competition, law enforcement, and other mechanisms of political purification may be efficient not so much against seriously compromised politicians as against those politicians who do not enjoy firm support from above or suffer a conflict with some influential person in power.

Unsurprisingly, public dissatisfaction with dishonest pro-regime politicians has significantly increased over the last years. There is also a growing demand for more integrity in politics among intellectuals, who think that moral superiority can be wielded as a powerful weapon against the disreputable adherents of Putin's regime. Unfortunately, it cannot be said that the most active opposition members or pseudo-opposition parties and movements are far more scrupulous about the reputation of their members than the loyalists are. For instance, leaders such as Boris Nemtsov and Mikhail Kasyanov were unofficially accused of corruption and failed to convince a large part of the public that the accusations were false.

It is widely believed that all the current parliamentary parties help wealthy people obtain parliamentary seats, providing them with desirable attributes of immunity and the possibility to advance their business interests. Ironically, according to my calculations, based on information from the well-known site, *Compromat.ru*, the percentage of Russian members of parliament publicly accused of concrete and serious misdeeds (most often involving inappropriate lobbying, unfair financial gain, and the abetting of criminal groups) is nearly the same for each parliamentary group: 22 percent for the Liberal Democratic Party, 21 percent for both United Russia and Just Russia, and 20 percent for the Communist Party. Taking this into account, it is not surprising that Putin and his camp occasionally try to persuade the public that the opposition is no better, if not worse, than those who are in government today.

Money aside, even the hallowed ground of academia has been corrupted (something that generally arouses less indignation among the Russian public today than it does Americans or Europeans). In the post-Soviet period, obtaining a post-doctoral degree became a kind of prestigious activity for the Russian political elite. Firms that write dissertations and arrange thesis defenses for officials and well-to-do business people are flourishing. Sixty-nine percent of Russian ministers and sixty percent of

regional heads have academic degrees, while 45 percent of parliamentary deputies have them. According to my estimation, 67 percent of the heads of regions' theses, 40 percent of MP theses, and 29 percent of ministers' theses were obtained under suspicious circumstances. Most typically, during the years immediately prior to an official's thesis defense, the defender was holding a full-time, high-ranking position in a non-academic sphere. The majority of such persons produced no serious single-authored works after their thesis defence. The percent of such dubious paperwork is especially high for post-doctoral degrees in economics, a degree that almost 50 percent of the representatives of the Russian political elite hold. According to my estimation, a full 75 percent of such degrees look suspicious. I would also say that about half the holders of law degrees (the second most popular degree after economics among elites), political science, history, and pedagogy also obtained them under suspect circumstances. A large part of the public feels distrust toward high-standing officials and politicians who defend post-doctoral theses (or are accused of plagiarism). However, this distrust typically does not pose any serious threat to the person's career, as the cases of Russian President Vladimir Putin, Kirov Province Governor Nikita Belykh, or the already-mentioned case of Vladimir Medinsky demonstrate.

Influence of the Internet

Since the 2000s, the Internet has increasingly become a key factor contributing to the formation of reputation. The Internet audience is growing, allowing more and more citizens access to information that is not government propaganda. Some Internet sites function as channels for informal discussions on political topics, others as platforms for alternative elites criticizing the dishonesty of those in power, and others (such as the previously mentioned Compromat.ru website) aggregate both reliable and unreliable information concerning the scandalous activity of prominent politicians. Although Putin and his camp frequently used to pretend they did not notice the various accusations spread about them via the Internet, such information is actually quite difficult to ignore.

Still the role of the Internet in forming national political reputations should not be exaggerated. The leading television channels (all pro-governmental) still have a far larger audience than the Internet. So far, Internet-based reputation scandals have not put an end to the careers of high-ranking politicians; they affected, at most, lesser figures such as Aleksander Bosykh, whose candidacy for a post as the head of the Youth Federal Agency was abandoned in June 2012 after a photo of him was widely circulated on the Internet punching a female opposition activist in the face. On the other side, pro-regime propagandists also intensively use the Internet for their own purposes: trying to persuade the public both that accusations against pro-government politicians are false and that opposition members themselves are unscrupulous and pursuing sordid purposes while trying to discredit Putin's regime.

Conclusion

Potentially, accusations of unscrupulousness and immorality could be the strongest weapons the opposition could use against the current regime. Yet no set of established

criteria for political reputation exists in Russia today; there is no clear conventional understanding of what misdeeds should make a public figure well-reputed or, on the contrary, a political corpse. While for some, perceived reliability and the skill to maintain stability are more important virtues than personal integrity, the demand for scrupulousness in politics seems to be on the rise. However, this demand has not yet contributed much to the purification of Russian politics. The current regime is reluctant to give up compromised but loyal people, while most current opposition leaders are themselves somewhat compromised and hardly considered by the public as holders of high moral standards. It remains a question whether in the foreseeable future there will arise any politically active leaders who enjoy moral authority among the public and who could efficiently promote new moral standards for politics via the Internet and other alternative communication channels.

The Twilight of the Vertical

CAN A GOVERNOR IN VOLGOGRAD PLAY A NEW GAME?

PONARS Eurasia Policy Memo No. 222

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The political crisis ignited by Russia's parliamentary elections in December 2011 was marked by mass demonstrations in Moscow but little opposition mobilization elsewhere. However, its influence on Russia's tight system of vertical power was more profound than may be seen on the surface. I will demonstrate this change through the tale (yet unfinished) of Volgograd's governor, Sergey Bozhenov, whose appointment on the eve of presidential elections was highly controversial.

Setting the Stage

Residents of the Volgograd region have elected a governor three times since the mid-1990s. All three times, voters chose a member of the Communist Party, Nikolay Maksyuta, who was not an ideologue but a "red director." Maksyuta proved capable of keeping his position without clashing with the federal government (but also without ever really gaining its support). In 2010, however, Maksyuta was appointed by presidential decree to the Federation Council (the upper chamber of the Russian parliament) and Anatoly Brovko was appointed Volgograd's governor. Typical for an appointee of former president Dmitry Medvedev, Brovko was weak. He had never been in the public eye, had not participated in any election, and was not a backroom dealmaker. He was a compromise figure fit for the relatively quiet "Medvedev interlude."

Characteristically, Brovko organized his public relations not to reach out to the local population but to secure Kremlin approval. His political acts included the creation of a personal blog (since President Medvedev considered blogging good practice) and the patriotic "Victory" center based on Volgograd's famous history and image as the former Stalingrad. However, Brovko was unable to consolidate the traditionally divided regional elites or make the local United Russia party organization very popular. Volgograd's population did not support his policies, which were oriented to outside approval rather than electoral support. Accordingly, prior to parliamentary elections, he

failed to create the kind of electoral machine needed to generate the required election results.

In the parliamentary elections, United Russia received 35 percent of the votes in the Volgograd region and less than 30 percent in Volgograd city itself. This was a significantly lower percentage than United Russia received nationwide in the disputed election. Two days later, with Brovko's clear approval, the chairman of the regional election commission claimed that a "recalculation" of the votes revealed that United Russia had really received 42 percent of the vote. However, such open manipulation proved too bold even for Moscow, and the Central Election Commission rejected the revised results.

From then on, it became clear that Governor Brovko would be removed from his post. In February 2012, Volgograd residents learned that their new governor was to be Sergey Bozhenov, former mayor of Astrakhan who had a tarnished reputation for electoral fraud.

The Arrival of Sergey Bozhenov

Bozhenov's errand was clear: he was appointed to ensure that Vladimir Putin would achieve a decisive victory in Volgograd in the March 2012 presidential elections. And indeed, under the newly appointed governor, Volgograd supported Putin with 63 percent of the vote. (Characteristically, the chairman of the regional election commission kept his position.) Thus, Bozhenov accomplished the task he was appointed to fulfill. But the governor encountered new challenges.

From the outset, Sergey Bozhenov was looked on as a representative of the "hardliner" group in the Russian leadership (associated with Vyacheslav Volodin, who replaced Vladislav Surkov in December 2011 as first deputy head of the presidential administration). In February, in an unprecedented move, the rector of the Volgograd Technical University, Ivan Novakov, publicly asked regional council deputies not to approve of Bozhenov's candidacy as regional governor (which had been suggested by then-president Medvedev). His tight management of presidential elections supported the rumors of his "hardline" affiliation.

Installing the new governor assured Putin victory, but the means by which Bozhenov managed this task made him a major target for "fair election" activists. One week after the elections, Bozhenov gave automobiles to the heads of municipalities that had achieved the best election results. When activists and journalists asked what the meaning of this gesture was and how it had been paid for, he refused to answer. Meanwhile, local law enforcement took no interest in the affair. At the same time, Bozhenov quickly created a wide front of political foes from among the Volgograd establishment. His reliance on past subordinates and friends from Astrakhan and Stavropol to fill regional government positions alienated local elites, while his interference in municipal politics created unrest among Volgograd city deputies. The new governor also made several missteps in "symbolic" management, which is important for Volgograd. For example, he proposed to rename the central embankment

from the “62nd Army Embankment,” in memory of soldiers that fought during the Battle of Stalingrad, to the impersonal “Victory Embankment.”

Even the national media got in the game, covering the scandalous visit of Bozhenov and regional council deputies to Italy in April for a birthday celebration. The trip was initially called a “business visit of the Volgograd delegation” but after public inquiry it was dubbed a “private matter.” There was much speculation. *Novaya Gazeta* suggested that the whole thing had been a public relations campaign by the old corrupt elites of Volgograd, who felt that Bozhenov posed a threat to their power. In July, *Nezavisimaya Gazeta* offered another conspiracy theory, suggesting that the whole scandal had been devised by the Kremlin as an attempt to draw public attention away from Astrakhan, where opposition candidate Oleg Shein was on hunger strike to protest massive violations during that city’s March mayoral election.

Changing Weather, Shifting Tack

Despite all the negative attention, Bozhenov should have felt relatively secure after his good performance in the presidential elections. The criticism against him from the opposition should even have made his position stronger in the eyes of the Kremlin.

However, the future of the current political system is not guaranteed. The period of Bozhenov’s rule in Volgograd coincided with the time of rapid development of social movements in Russia and the first liberalization of electoral laws after the winter protests. The Volgograd governor’s name became prominent in two of the most public opposition campaigns of the time: against the scandalous Italian jaunt and in support of the hunger strike of Oleg Shein, Bozhenov’s Astrakhan gadfly, who claimed that he was the real winner of that city’s mayoral election. The arrival of hundreds of Moscow opposition activists to Astrakhan in support of Shein was one of the first major mobilizations of society after the March elections.

Adding to his challenges, Sergey Bozhenov faced an almost unified front against him in Volgograd at a time of changing political rules-of-the-game. The federal law that restored gubernatorial elections (if with limitations on the popular right to nominate candidates) was enacted on June 1. Nationwide policy further changed with a series of new laws passed in the summertime that created more obstacles for a functioning civil society.

Despite his reputation as a “hardliner,” however, Bozhenov has experience in contesting elections, unlike his predecessor Brovko. Despite allegations of fraud when he ran for mayor of Astrakhan (and then for parliament), he received significant support among Astrakhan residents.

This may be why his behavior is more political than anticipated, coming as it does from an appointed governor. In May and June, Bozhenov promoted a policy that seemed to be targeted at gaining public support. He created “public councils” for each department of regional government as well as a governor-level public council. This council, headed by the influential rector of a regional medical university, Vladimir Petrov, includes people with diverse backgrounds and ages, businessmen, and bloggers. Such a composition distinguishes the body from the regional public chamber consisting

of bureaucrats. The other new public councils are also filled with influential and diverse social representatives. In late June, Bozhenov delivered a special address to the Volgograd government touching upon most current regional problems. This address, a kind of political program, was widely circulated and considered to have been targeted at the electorate far more than to subordinate officials. His predecessor never produced such a program, which embraced both a list of concrete problems and called for a different (and more open) style of government work.

Governor Bozhenov's efforts to court the local population make sense only if he is planning for his future in a different type of regime. This kind of politics works in regimes in which local leaders are elected, not appointed. One could say that his attempts to gain popularity are a form of demagoguery, aimed at counterbalancing resistance from local elites. It is that too. But this means that the governor is unable to rely on Kremlin support to undercut the opposition of regional elites. His having to address the local electorate even to solve local inter-elite problems suggests that Russia's current system of vertical rule has reached a dead end. One way or another, the existence of the people has to be taken into account.

Conclusion

The changing behavior of Volgograd's governor demonstrates the end of a brief period of "apolitical" governors who are merely Kremlin-appointed officials. A new generation of regional leaders—many of whom began their careers in the 1990s—must soothe the growing public unrest and take on responsibilities that Moscow is unable to fulfill. There will be dirty politics, but it will be *politics*, not the top-down stability of consolidated authoritarianism.

“Natsdem”

THE NEW WAVE OF ANTI-PUTIN NATIONALISTS

PONARS Eurasia Policy Memo No. 223

Marlène Laruelle

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In the December 2011 protests in Russia, pro-Western democrats marched together with new and old nationalists. Some of the latter, such as Eduard Limonov and his *Limonovtsy*, are accustomed to demonstrations and have been rallying against Vladimir Putin since the second half of the 2000s. Others committed themselves to the effort after the announcement of Putin’s return to the presidency and the fraudulent parliamentary elections. While some nationalist movements involved in the protests have maintained their traditional anti-Western orientations, others have sought to combine a pro-Western democratic stance with “nationalism.”

In Putin’s Russia, “nationalism” is not a strictly defined ideology linked to one political platform or an electoral machine. Rather, it is a tool used by all actors— from the Kremlin and United Russia, to the Communists and Vladimir Zhirinovsky’s Liberal Democratic Party of Russia, to far right extra-parliamentary movements and the liberals (with Garry Kasparov being a good example of the nationalist-liberal conjunction). All have their own definition of what is meant by the “nation,” the “Russian question,” “nationalism,” and “patriotism.” These are the terms in which some key issues for Russian society are being debated, such as the definition of citizenry, the federal nature of the Russian state, migration policy, and the North Caucasus issue.

Entering into the spotlight only in December 2011, the tide of “national-democrats” —*natsdem* in Russian—reflects the evolution of Russian society. This paper discusses the genesis of this new wave of “national-democrats,” the major role attributed to blogger Aleksey Navalny, and his vision of Russia’s future. Also analyzed are the main paradoxes of the *natsdem* movement.

Genesis of the *Natsdem*

The *natsdem* were not born with the December 2011 protests, even if it was then that they gained prominence in the media. Their origins are at least threefold: the anti-Putin strategy of the *Limonovtsy*, Alexander Belov’s calls for a European populism and politicization of the Russian March, and the new wave of nationalist intellectuals.

The *Limonovtsy*, supporters of Eduard Limonov and his National-Bolshevik Party until it was banned in 2007, represent a unique case in the history of nationalist movements in Russia. Contrary to the set of other movements endorsing one or another form of nationalism, the *Limonovtsy* present themselves at the extreme left of the political spectrum, not the right. Since the creation of the movement in 1993, their collective mise-en-scene and repertoire of actions have changed little (leftist revolutionary narrative, violent street activism, rituals of belonging, worship of sacrifice, and clashes with the security forces). However, under the personal influence of Limonov, their tactics have evolved. While the movement still claims to be fighting against the crimes of European liberal thought, Limonov was one of the founding members of Other Russia back in 2006. Limonov and Garry Kasparov closely collaborated in the Marches of the Discontented and the Strategy-31 protests that inaugurated the current wave of civic protests. During the December 2011 protests, Limonov opposed the fact that Boris Nemtsov and other liberals ceded to pressure from the Kremlin by agreeing to demonstrate not on central Revolution Square but at Bolotnaya Square, and he has kept his own demonstrations going in parallel. Although the *Limonovtsy* never endorsed a liberal or democratic nationalism—two antithetical adjectives to their political conceptions—they were the first, within the nationalist camp, to give prevalence to tactics over ideology, and to consider that the fight against Putinism necessitated an alliance with the so-called liberals and democrats.

At the other end of the ideological spectrum is Alexander Belov, the former leader of the Movement against Illegal Immigration (DPNI), which throughout the entire decade of the 2000s grouped under its banner many skinhead groups before being banned in 2011. Belov plays the ethno-nationalist-discourse and fear-of-migrants card. In 2008, he announced a change of strategy by moving away from far right radicalism to transform the DPNI into a “respectable nationalist movement with European tendencies,” on the model of the French National Front or Jörg Haider’s Alliance for the Future of Austria. In several interviews, Belov continues to clamor loudly and clearly for this change, stating that there is no future for nationalism in Russia without its Europeanization. He thus embodies a growing part of the Russian far right that desires to ally with Europe and with the United States in the name of defending the “white world” in its civilization war against “peoples of color.” Although Belov entertains close and ambiguous relations with some official circles in the Kremlin, particularly thanks to his contacts with former *Rodina* leaders Dmitry Rogozin and Andrey Saveliev, his main means of visibility, the Russian Marches that take place annually on November 4, have now become politicized, with their anti-Putin tone growing in stature. The first political slogans, mainly against the security services and in favor of releasing prisoners of conscience, emerged in 2007. But the real turning point dates back to 2010, when more structured slogans against Putin’s political system and appeals to bottom-up modernization emerged. In 2011, the Russian March, with the presence of Aleksey Navalny, unintentionally became a sort of announcement for the December protests.

Lastly, a new wave of nationalist intellectuals has taken shape in recent years. This generation of publicists is young (born in the 1970s) and uses blogs and digital

social media as their main places of expression. Many of its members received their training in the media network of Gleb Pavlovsky, in particular *Russian Journal*, and are closely connected with youth underground culture and certain nationalist artistic milieus (such as the works of artist Aleksey Beliaev-Guintovt). Devoid of a unified ideological platform, the wave's main actors denounce the preceding generations for their inability to profoundly renew Russian nationalist theories and for living in a closed world, cut off from interaction with the major Western debates on the theme of the nation. While some among them, such as Yegor Kholmogorov, advocate a brand of nationalism inspired by both Stalinism and monarchism, others such as Mikhail Remizov call for a Russian neo-conservatism in large part inspired by European conservatism and American neo-conservatism. Others, such as Konstantin Krylov, Aleksey Shiropaev, and Aleksander Khramov, desire a democratic nationalism with a liberal orientation. This third tendency recently expanded and played a key role in shaping the pre-December 2011 period of the *natsdem* by publishing the current's main reference texts.

Aleksey Navalny and the Question of Russian Identity

It is, however, Aleksey Navalny that has crystallized the notion of *natsdem*. Navalny has attracted much of the protesters' attention because he combines major influence within the Russian blogosphere with legal moves, especially minority shareholder activism and court actions. A former Yabloko member who was dismissed from the party for his participation in the Russian March in 2011, Navalny has defended Alexander Belov and Dmitri Demushkin, one of the main neo-Nazi ideologists, both of whom stand accused of inciting racial hatred. Navalny has been implored on several occasions, by journalists as well as by protest activists like Boris Akunin, to clarify his stance on questions of national identity, with the underlying idea being that "nationalism" and "democracy" cannot go together.

Navalny's stance, expressed in the *Narod* manifesto published in 2007 – which he still claims to defend word for word – as well as in more recent interviews, is founded on several arguments. To begin with, he justifies his position on the experience of European history, seeing in it an intrinsic link between nationalism and democracy. For him, all European nation-states were born of the connection between the entry of the masses onto the political scene and the establishment of a national repertoire (language, historical moments, and a pantheon of heroes), whereby an official line is drawn between that which does and that which does not belong to the nation. He is therefore strongly opposed to what he calls the chimera of a *rossiiskii* (state-related) identity separated from *russkii* (ethno-cultural) identity, and he calls for the abolition of federalism in Russia. To become a democratic nation-state on the European model, Russia has to become a unitary state (*russkoe natsional'noe gosudarstvo*), and can have but one identity – Russian (*russkii*) – to intrinsically link national identity and civic rights.

To this end, Navalny has reformulated the slogan of the Russian far right, "Russia for Russians," instead promoting that of "Russia for Russia's citizens," which can be construed as a call for civic activism and political involvement. Since it is

democratic, this new Russian (*russkii*) identity would be compatible with the ethnic diversity of the country and its imperial past, offering assimilation to those who desire it, as well as the respect for cultural differences in the name not of federal but of democratic principles. The merging of national identity and citizenship should therefore make it possible to stamp out the risks of secessionism while establishing an accepted restrictive policy of assimilation for migrants. According to Navalny, “those who come to our country but do not wish to respect our laws and our traditions must be expelled.”

A symbol of Navalny’s equally political and national narrative, the North Caucasus has become a central element of *natsdem* thought. In spring 2011, Navalny co-launched a campaign called “Enough feeding the Caucasus” – a campaign that Putin, Medvedev, and North Caucasian leaders sharply criticized. This campaign, adopted by several anti-Putin nationalist activists, states that the autocratic and corrupt regimes of the North Caucasus – and especially that of Ramzan Kadyrov in Chechnya – are the archetype of Putin’s system. One does not function without the other: the disappearance of Putin’s system would provoke the collapse of the North Caucasian regimes, and the fight against the North Caucasian regimes bring a direct blow to Putin, since non-democracy in Russia is the fruit of poor management of the Caucasian conflict beginning with the first war in 1994. This political discourse, however civic in its basic foundations, also rests on cultural presuppositions that define the North Caucasus as an area that is “culturally foreign” to Russia, against which it is necessary to erect a sort of iron curtain.

The debate, hitherto covert, of a possible partition of the North Caucasus from Russia has thus re-emerged in part via *natsdem* activism on the matter, although the idea enjoys no consensus in the movement. Navalny himself remains ambiguous on the subject of partition. Similarly, his request for amnesty for federal forces who committed violence during combat in Chechnya seems to stand in contradiction with his denunciation of the central and north Caucasian security services. Clearly oriented toward the West in terms of political values and cultural models, the *natsdem* narrative stumbles when it comes to Russia’s imperial legacy. A “Russia-first strategy,” which would stipulate that Russia’s main mission is its democratization, its modernization, the well-being of its citizens, and its integration into the Western community, but also the maintenance of its “Russianness,” implies a change of narrative toward both Central Asia and the Caucasus. Although Navalny and his counterparts accept the idea that Moscow should no longer act as a hegemon in Central Asia and advocate a strict migration policy, there is nonetheless no unanimity concerning the fate for the North Caucasus.

Conclusion

For the first time since the era of Soviet dissidence, some “liberals” and “nationalists” find themselves united in the same struggle against their common enemy – the Putin regime. As in Soviet times, ideological divergences have not gone unnoticed, but they have been put aside in the name of shared short-term objectives. As Alexander Verkhovsky from the SOVA Center has noted, the Russian liberal opposition has great tolerance toward their nationalist counterparts. Political analyst Stanislav Belkovsky has

defined the atmosphere of Russia in December 2011 as “Perestroika-2,” a time when the authorities were obliged to recognize that society is pluralist and not uniform and that the lines of divide between contradictory ideologies are effaced by the struggle of the moment.

The Kremlin’s capacity to manage the masses through, among other things, the patriotic/nationalist narrative, has never been monopolistic. There has always been a plurality of nationalist voices in Russia, despite the Kremlin’s attempts to silence those that run counter to its authority while promoting those that serve its political goals. The ability of the *Natsdem* to broadcast themselves, essentially via social media and Internet activism, confirms that “nationalism” is not a product of the Putin regime but a flexible ideological tool, which also has its place in an anti-Putin political context, and will have one in post-Putin Russia. The call for a “Russia-first strategy,” one that is at once pro-European, democratic, and modernizing, but also xenophobic, might turn out to pay off in future years by targeting youths and the educated middle classes.

The idea often put forward by some Western analysts that nationalists could “subvert” pro-democracy or pro-Western movements in Russia is badly formulated, since it forgets that the West is devoid neither of turbulent debates on the relationship between national identity and citizenry, nor of failures in terms of the integration of its newcomers or minorities. Navalny is right in asserting that nationalism is a European legacy and that the Europeanization of Russia, in terms of political regime, will probably also affect its definition of the nation. Recent electoral successes of populist anti-migrant parties in numerous European countries, both in the French-Flemish world and in the Nordic states, as well as Hungary’s evolution, confirm that the Russian debates are part of a contemporary pan-European framework in which national identity has become a renegotiable criterion of belonging.

Escalating Uncertainty

THE NEXT ROUND OF GUBERNATORIAL ELECTIONS IN RUSSIA

PONARS Eurasia Policy Memo No. 224

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Subnational electoral competition has been crucial to nationwide democratization in countries like Mexico. To what extent could the recent return of gubernatorial elections in Russia's regions open such possibilities in Putin's Russia? This question appears especially pertinent if we take into account the "cracks in the wall" of the political regime that became apparent following the parliamentary elections of December 2011. This period has been characterized by political uncertainty, with popular mobilization and emboldened opposition on one side and on the other the liberalizing steps at the end of President Dmitry Medvedev's term followed by a crackdown under President Vladimir Putin. In this memo, I argue that the political dynamic set by the new round of gubernatorial elections might serve to enhance the political uncertainty that the regime has been working so hard to contain.

The return of gubernatorial elections (the law went into effect in June 2012) has been one of the most important political reforms undertaken by Medvedev at the end of his presidency. This unexpected step on the side of the Kremlin can be seen from two different perspectives. On the one hand, there has been a growing consensus among experts and likely an understanding on the part of the authorities that the system of gubernatorial appointments in place since 2005 has been vulnerable to the loss of administrative control in some regions and potential destabilization on the national level, as the growing number of unpopular governors become unable to guarantee the electoral results the Kremlin desires. This trend has been especially apparent in regions where long-serving governors (insiders) were replaced by *varyagi* (outsiders) who were not embedded in local networks of power and were lacking skills that would allow them to easily integrate and build cooperative relations with regional elites. Cases of post-Stroev Orel, post-Rossel Sverdlovsk, and post-Titov Samara regions are illustrative in this respect.* The shortage of administratively proven cadres also had complicated the

* Yegor Stroev was the governor of Orel from 1993- 2009, Eduard Rossel was governor of Sverdlovsk from 1995-2009, and Konstantin Titov was governor of Samara from 1991-2007.

appointment system, a fact long realized by the Kremlin. Therefore, authorities had their own rational administrative reasons to bring back the gubernatorial electoral mechanism.

At the same time, most experts have focused on the political rationality driving this reform, especially considering its timing. Putin first noted the need for the reform in December 2011, in the midst of the popular protests that unraveled in the aftermath of the 2011 parliamentary elections. This promised reform thus has been widely interpreted as a concession to protesters (at least in the beginning), although the actual law was shaped into one that allows maintenance of the political status quo.

Instead of restoring free gubernatorial elections, the new law has erected serious barriers, allowing the Kremlin to control candidate registration and prevent opposition candidates from running. The main barrier is the municipal filter: each candidate is required to get the support of five to ten percent of municipal deputies (regions themselves got to legislate the precise percentage). The overwhelming control of most municipalities by the party of power means that opposition candidates will likely be unable to get the needed signatures. The second filter is presidential: the president can consult with all candidates and selects three to run. Additionally, although the law allows for self-nomination, each region has to legislate whether it will allow self-nomination in addition to party nomination. So far, no region has allowed the self-nomination of candidates in gubernatorial elections, thus making this option illusory.

In short, the return of regional elections has occurred in a very constrained fashion with the aim of enabling the preservation of the status quo and a high degree of control exercised by the party of power and personally by the president. At the same time, as with the change of any rules and institutions, the processes that unfold in the context of institutional change can be more complex and unpredictable than what their creators had in mind. Furthermore, the inevitable return of public politics and politicization of the regions makes it even less likely that the Kremlin will be able to manage the process according to its plans all the time. Hence, there is space for thinking about potential unintended consequences of the return of gubernatorial elections, even with all the barriers and constraints that are in place. Below I consider three potential outcomes that could endanger the regime's ability to control the political process. I follow this with a brief overview of the upcoming gubernatorial elections (scheduled for October 14, 2012) and conclude with an analysis of the effects of uncertainty on the regime.

Unintended Consequences

First, when elections are free, they inevitably create uncertainty with regard to the victor and therefore encourage elite fragmentation and competition. The new law reinstating gubernatorial elections aims to reduce uncertainty by creating mechanisms of control over who can run in the elections. However, the main mechanism—the municipal filter—might not be as bulletproof as the regime wants, especially with the passage of time and with the potentially growing victories of opposition candidates in local elections. Therefore, the new opportunities created by the return of gubernatorial

elections might embolden elites who, in the context of the appointment-based system, might have opted for a strategy of acquiescence. The existence of latent and open intra-elite conflicts in many regions is well known. Regions that have lost their long-serving governors—the individuals who played the role of an arbiter among rival groups and got outsiders as replacement governors—are the main candidates for experiencing such conflicts and for creating the ground for competitive gubernatorial elections.

Second, with increasing stakes in the control of municipalities, competition at the lowest level of elections to municipal assemblies is likely to increase and has been increasing already as opposition parties invest more in these elections. There are multiple cases when opposition candidates have won local elections in Russia—they took almost a third of the Moscow city district council seats this past March. They also won in mayoral elections in Togliatti, Taganrog, and Yaroslavl, as well as in the small town of Chernogolovka (near Moscow). There are also regions, such as Orel, where the Communist Party controls 12 percent of seats in the municipal assemblies, thus enabling real opposition candidates to overcome barriers. Opposition leaders seem to understand the stakes involved in local elections and realize that some of these victories, especially the one in Yaroslavl, have been helped by financial, administrative, and civic support from other cities.

Finally, it has been argued that elections form a platform for resolving collective action problems and enabling peaceful revolutions.* This logic might apply in gubernatorial elections in Russia as well because the stakes in gubernatorial elections are higher than in local elections. The regional population understands that executive power is predominant in Russia and is likely to be more engaged in regional politics once elections are back. Therefore, cases of electoral fraud committed during gubernatorial elections are likely to attract more public attention and resistance. This might especially be the case when strong opposition candidates are able to run in elections. Given the importance of gubernatorial elections, people might use the timing of elections to indicate their discontent with authorities. Although the protests that shook Russia in the months following the parliamentary and presidential elections have been in decline, the new civic mood and “mode of action” set by Moscow is likely to spread to other large cities in Russia. The Moscow-based middle class has been a trendsetter for well-earning professionals elsewhere in Russia. Public opinion polls conducted in July also reveal the growth of popular support for mass protest, while showing a declining number of those who anticipate change in the prevalence of a protest mood.†

October 14th Elections

The Kremlin has been preparing for the new round of gubernatorial elections. In the first five months of 2012, almost a fourth of governors were replaced. These replacements were in regions where it was uncertain whether authorities would be able to control electoral results. Therefore, the first elections, to be held on October 14 in five regions—

* Joshua Tucker, “Enough! Electoral Fraud, Collective Action Problems and Post-Communist Color Revolutions,” *Perspective on Politics* 5, 3, 2007, 537-553.

† <http://www.levada.ru/01-08-2012/rost-protestnykh-nastroenii>

Novgorod, Ryazan, Belgorod, Amur, and Bryansk—are intended to be the most conservative and controlled.* Thus, experts have ranked three of the governors that will run for election—Evgenii Savchenko (Belgorod), Oleg Kozhemiako (Amur), and Sergei Mitin (Novgorod)—as “highly likely to be elected.”† These assessments are confirmed by the fact that no serious opposition candidates are set to run in these elections. At the same time, the outcome is uncertain in the two remaining regions (Bryansk and Ryazan), where experts predict the possibility of a second round of elections and even potentially the incumbent governor’s defeat. In Ryazan, the incumbent governor, Oleg Kovalev, faces active elite opposition. Igor Morozov, a well-known regional politician who participated in the 2004 gubernatorial elections and represents Ryazan in the State Duma, has been nominated to run from the Patriots of Russia party. In Bryansk, a candidate from the Communist Party, Vadim Potomskii, claims to be ready to pass the municipal filter and, in that case, is likely to be a real challenge for the unpopular incumbent governor Nikolai Denin. How this uncertainty will be resolved is unclear at the moment. Experts note that the Kremlin might allow an opposition victory in one of these cases to prevent immediate popular disillusionment with new gubernatorial elections. At the same time, it is reasonable to expect that a Kremlin loss in both regions would make the regime appear weak and encourage more contestation.

Successful victories for the opposition in such cases as mayoral elections in Yaroslavl present lessons of potential strategies for success in local elections. In Yaroslavl, the opposition candidate was supported by a political coalition that included the Communists, the center-left party Just Russia, the liberal Yabloko party, and the Solidarity movement. The elections in Yaroslavl also manifested high civic engagement—many volunteers who monitored the elections came from Moscow and other cities, contributing to the victory of the opposition candidate.

Effects of Uncertainty on the Regime

In the realm of economics, uncertainty leads investors to underinvest and eye profitable future investment options. In the realm of politics on the other hand, the logic turns upside down and uncertainty leads to overinvestment driven by fear of greater political (and hence economic) loss, at least in Russia. In short, the Kremlin would have to invest more of its resources—administrative, financial, and cadres—to ensure the desired outcome. Indeed, recently published documents in *Novaya Gazeta* (July 18, 2012) reveal a very close monitoring by the center of local and regional elections and interference in electoral processes in order to ensure victory for the party of power. Therefore, the first effect of the return of gubernatorial elections is an increase in pressure on the system (contrary to the original intent of the reform), which is likely to create conditions for further escalation of uncertainty.

Secondly, if the opposition is able to win some or any regional elections, these victories will set a precedent, emboldening opposition in other regions and revealing

* The presidential administration has been closely involved in the elections in each of these regions.

† According to the Political Expertise Group led by Konstantin Kalachev.

that the regime is not invincible. This dynamic would once again work to escalate the uncertainty threatening the regime. In short, even if the Kremlin has attempted to avoid electoral uncertainty in gubernatorial elections by introducing serious barriers to candidate registration, the dynamics of the electoral processes unfolding over time might work to increase the initial small uncertainty that is present thus opening new windows of opportunity for the political opposition in Russia. What will be left for the opposition then is to organize more effectively on the regional and local level and to create broad-based coalitions in support of single opposition candidates who can challenge the incumbent. This is a strategy that has been shown to work in many other countries that have experienced liberalizing electoral outcomes in the context of competitive authoritarian regimes.*

* Marc Morje Howard and Philipp D. Roessler, "Liberalizing Electoral Outcomes in Competitive Authoritarian Regimes," *American Journal of Political Science* 50 (2), 2006, pp. 365-381.

Faking It in Russian Politics

PONARS Eurasia Policy Memo No. 225

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Russia's hot political season of 2011-2012 has raised a set of important questions: Who can be trusted in Russian politics? Can the identities of public figures be taken for granted? To what extent are Russian politicians and influential pundits sincere in their public statements? How much can a politician vacillate on key issues and still remain credible?

In a period of political volatility, when even short-term outcomes are unclear and the political landscape evolves rapidly, being outspoken is a risky strategy that offers no guarantee of success. Clear-cut statements or commitments can backfire; consistency is not rewarded. At the same time, because of the public's widespread disillusionment and short political memory, there is little cost, political or otherwise, associated with changing one's position or conveying contradictory messages to different audiences. Driven by short-term goals, a politician may find deception to be the most effective tactic to address unpleasant questions or suspicions.

This policy memo analyzes the phenomenon of "fake" or "faking" politicians during the recent period of political flux in Russia. It offers a categorization of fake actors in Russian politics and explores whether faking can be effective as a tactic in the short term and sustainable as a political strategy in the longer term.

Defining "Fake"

For the purposes of this memo, "fake" is defined as deliberate and consistent deception over an extensive period of time. As a multi-move tactic, faking is distinct from a single act of cheating (for example, disinformation), which actors undertake to achieve an immediate but one-off result. Longer-term implications of such a standalone act of deception are not of concern to its perpetrator. In contrast, in order to be effective, "fake" needs to last longer without being revealed. Three main types of "fake" in Russian politics today are: *fake political debate*, *fake behavior*, and *fake identity*.

Fake political debate is a discussion of largely irrelevant issues that are pushed into the limelight in order to crowd out more relevant issues or to skew public opinion in

* *The views expressed herein are those of the author and do not necessarily represent the views of these organizations.*

favor of certain policy options. For example, Russia's state-owned media blew a highly emotional pedophile problem out of proportion in order to explain to the broad public the danger of unregulated access to the Internet. The online availability of instructions on committing suicide was presented in the Russian parliament as justification for endowing the authorities with the right to sue and shut down Internet media, including discussion forums and blogs. Another direction of a fake debate is whether other countries should necessarily seek to do harm to Russia. If this question is answered positively, then, among other things, all foreign funding made available to Russian nonprofits is, by default, aimed at weakening Russia and therefore should be restricted.

A fake political debate is a basic form of manipulation that is difficult to implement without control over popular sources of information. As the availability of broadband Internet rises, the extent to which authorities can control these sources in Russia is weakening.

Members of the expert community sometimes engage in *fake behavior*, imitating impartiality—a phenomenon that is by no means exclusive to Russia. This type of manipulation involves posturing as an independent pundit, while crafting biased arguments backed by handpicked facts. It takes another well-informed observer with substantial argumentative skills, as well as an intellectual environment conducive to open debate, for the fake expertise to be debunked. Uncovering consistent and purposeful bias is more difficult than exposing single and accidental mistakes. Therefore, the lifetime of a fake expert in Russia can be considerable.

Pro-Kremlin politicians and media outlets have argued that sources of funding tend to determine the real (and often hidden) agenda of political actors. They selectively apply this notion, however, to the foreign financing of think tanks and research projects. The idea that massive government funding of policy-relevant research may equally distort findings and squeeze out valuable critical perspectives has gained little traction in policymaking circles.

There have also been cases of fake opinion polls in Russia administered by allegedly independent polling agencies. Evidence of the polls' fake nature is their correlation to official election results, which were subsequently challenged on formal mathematical grounds.

Internet "trolls" and paid propagandists have constituted another unfortunate dimension of "fake" in Russian political life. They posture as full-fledged citizens—politically conscious members of the public who are independent and reasonably rational in their political judgments and choices—while in reality they are acting on behalf of a paymaster. It is difficult to estimate whether more fake citizens act on behalf of the government than its critics, but the clear fact of their presence in online media highlights the importance both sides attach to the ability of the Internet to shape the political preferences of the yet undecided public.

The group of fake actors that has the most influence and is therefore most intriguing to analyze includes political leaders and parties with *fake identities*. Several major political actors in Russia have exhibited characteristics and/or behavior that allow us to regard them as partially or fully fake. Pro-Kremlin members of both chambers of

the Russian parliament have had persistent difficulty positioning themselves as independent political actors. This primarily concerns United Russia parliamentary committee chairmen, whose ability to act independently from the Kremlin has been questioned by their counterparts in political systems with more autonomous legislatures. Other possibly fake actors include A Just Russia and Liberal Democratic (LDPR) parties, which were either established by close political allies of Vladimir Putin or have demonstrated a consistent record of voting with United Russia.

The most prominent individual political figure facing accusations of being fake is billionaire Mikhail Prokhorov. As presidential candidate, he came third in the March 2012 election, having secured about 8 percent of the popular vote. He subsequently pledged “not to let his supporters down” and establish a new liberal political party. However, Prokhorov stayed out of the public domain over the next several months and failed to show up at the inaugural assembly of the political party he had promised to lead and sponsor. Another example is ex-president Dmitry Medvedev; both opponents and supporters alike have repeatedly accused him of faking political autonomy in order to generate vain hopes among his potential constituencies.

Why Fake an Identity?

Why would one choose to fake one’s political identity? At least three rationales are imaginable.

First, a certain patron can create and promote a fake political actor (like a party) in order to test public attitudes to particular policies or proposals without taking responsibility for these proposals. In a closed political system where avenues of free expression are few and tradition of public discussion is limited, receiving feedback from the public may require imitation of debate. For example, a top leader (like the president) in an authoritarian or semi-authoritarian system, in which free media is absent or has limited reach, may choose to initiate a political party or movement with a platform built around ideas that the leader or his political allies would like to test or propagate.

Tested ideas can include, for example, the scrapping of social welfare too costly to sustain. In this case, a fake party would be allowed to engage the leader’s opponents on the tricky issue of reducing social benefits. As a result, the leader will be able to at least split responsibility for unpopular measures with the fake party and even allow his or her supporters to criticize the fake party for its unpopular proposal. The leader can also use fake political actors to gauge the public reaction and decide whether his real supporters within the political system could safely broach the subject. LDPR chairman Vladimir Zhirinovsky, for example, is known for nearly advocating a military assault against NATO members and, shortly thereafter, floating the idea of Russia joining the alliance.

Second, a patron may charge a fake actor with the task of luring voters away from an adversary, in order to undermine or dissipate public support. If its identity is faked credibly, such a political actor can effectively prevent mobilization of or collective action by the opposing camp. Having secured a position within the political system, a fake actor can begin making calls on its supporters. These calls and political messages

need not differ strongly from those issued by genuine actors in the political field. Indeed, the patron may only wish to see a small adjustment in behavior and/or preferences of the public that supports its opponent. A fake actor may be capable of ensuring such adjustment without risking exposure. Having rallied enough support, a fake political movement can negotiate coalitions with other parties or stimulate divisive debates, thereby undermining the unity of the whole wing of political forces to which the movement is planted.

According to some reports, the Kremlin initiated A Just Russia party in 2006 in order to dent the Communist Party electorate. A Just Russia developed a leftist platform bordering on populism. Led between 2006 and 2011 by Sergey Mironov, then speaker of the upper chamber of the Russian parliament and longtime associate of Vladimir Putin, A Just Russia refrained from criticizing the incumbent government and attacked the Communists instead. In a similar vein, critics of Mikhail Prokhorov charged that his presidential bid served the purpose of distracting and dividing liberally-minded voters whom he abandoned on the day the March 2012 presidential election results were announced.

Finally, in some cases, the patron might be interested in the mere existence of a political actor with a given identity. This could satisfy public demand for such a party or movement, while allowing the patron to retain control over its actions. It could also create an impression of greater pluralism or choice than exists in reality. The presence of an additional actor within the opposition can also potentially present the opposition movement as disunited, while embroiling it into a lengthy negotiation process on several fronts. A number of liberal proto-parties have emerged in Russia since the end of 2011. Some of them, such as Democratic Choice, have gone out of the way to criticize Alexei Navalny and other outspoken opponents of the incumbent government. It is not right to dub any of them a fake opposition prematurely, yet the possibility that at least some short-lived liberal opposition forces will eventually be exposed as political forgeries cannot be ruled out.

Morphing into Real?

A time of political flux inevitably comes to an end. As a political system develops stable features, sustaining a fake identity becomes increasingly difficult. Actors have to reveal some genuine characteristics or face the risk of losing appeal and influence. In Russia, A Just Russia moved to become more independent than the Kremlin had desired at its creation. In the highly galvanized and partisan political environment of the 2011-12 election season, even Vladimir Zhirinovsky's LDPR was forced to take action contrary to the Kremlin's preferences on key political issues. For example, it abstained from voting on the controversial foreign agent bill adopted in July 2012 thanks only to the votes of United Russia. The Kremlin would certainly have preferred it if another party had sided with United Russia and shared responsibility for that bill. For his part, Prokhorov adopted a strategy of ambiguity and silence that is likely to lead to political oblivion. The supporter base of Medvedev as a politician with presidential ambitions shrank to just a few percent.

A political force or individual leader may choose to “legalize” a fake identity by adopting it as real. Getting serious about what one has forged, however, requires breaking free from one’s patron. Russian politics may see a few examples of actors attempting to graduate from their patrons’ tutelage in order to turn into credible political forces.

Fake or token political discourse can last longer if it focuses on issues requiring sufficient qualification or argumentative skills to uncover the fraud. Still, as an increasing number of citizens become interested in politics during periods of transition and flux, the general level of political awareness rises so that the public acquires the necessary skills to distinguish between fake and real.

Conclusion

Political “faking” runs the greatest risk of being exposed when rationality begins to rule the day. In the absence of a culture of open and pointed discussion with clear-cut views expressed and juxtaposed, multiple opportunities for faking arguments and identities will remain in place.

Fake actors, debates, and politics poorly serve the nation. If a strategy of “faking it” can bring a political actor tangible benefits, the public debate morphs from a competition of arguments into one of smokescreens unsuitable as foundations for sound policymaking in the real world. Politics then becomes an under-the-carpet contest among disingenuous actors with hidden agendas and parochial interests that rarely coincide with those of the nation.

The Southern Kuril Islands Dispute

PONARS Eurasia Policy Memo No. 226

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The dispute between Russia and Japan over the southern Kuril Islands represents one of the longest standing territorial disputes in East Asia. The dispute concerns possession of the four southernmost islands in the chain, Etorofu, Kunashiri, Shikotan, and Habomai.* This dispute has recently returned to the headlines in the aftermath of a visit to one of the islands by Russian Prime Minister Dmitry Medvedev, a move that drew condemnation from leading Japanese officials.

Russia and Japan have traded possession of the Kuril Islands and Sakhalin Island since they first established diplomatic relations in 1855. In that year, the Treaty of Shimoda assigned possession of the northern Kuril Islands to Russia, while Japan received the four southernmost islands. Sakhalin itself was administered as a joint condominium until the 1875 Treaty of St. Petersburg assigned the entire island to Russian possession in exchange for Japan receiving the entire Kuril Islands chain up to the Kamchatka Peninsula. The Russo-Japanese border shifted again after Russia's defeat in the 1904-05 Russo-Japanese war. The Treaty of Portsmouth that concluded the war gave the southern half of Sakhalin Island to Japan.

These borders remained stable until the end of World War II. The Soviet Union occupied the entire Kuril Islands chain and southern Sakhalin Island in late August 1945. Soviet possession of these territories was decided during the Yalta summit in 1945, at which time Joseph Stalin promised to attack Japanese forces three months after the conclusion of the war with Germany. The entire population of the four southern Kuril Islands was expelled in 1947 and resettled in northern Japan.

The Japanese Position

Japan first began to raise its claim to the four islands in the 1950s. Initially, only the smaller Shikotan and Habomai were claimed. As late as 1956, Japanese negotiators reached an agreement with their Soviet counterparts to settle the dispute by transferring Shikotan and Habomai to Japanese control while simultaneously renouncing all claims

* The Russian names for the first two islands are Iturup and Kunashir. I use the Japanese names for the sake of consistency.

to the much larger Kunashiri and Etorofu (see Figure 1).^{*} This deal was scuttled as a result of pressure by the United States, which threatened to keep control of Okinawa if Japan accepted this compromise.[†] In the end, the two sides signed a joint declaration that ended the state of war that had existed between the Soviet Union and Japan since 1945 but postponed the resolution of the territorial dispute until the conclusion of a formal peace treaty between the two states. The text of the declaration stated that the Soviet Union agreed to hand over Shikotan and Habomai, but that the actual transfer would only occur after the conclusion of a peace treaty. Since the early 1960s, however, the Japanese government has unwaveringly claimed all four islands to be Japanese territory.

Since the end of the Cold War, Japan has sought to expand its cooperation with Russia, in part because it hoped that better overall relations would result in a favorable settlement of the territorial dispute. During the difficult years immediately after the break-up of the Soviet Union, Japan began to provide humanitarian assistance to Russian residents living on the disputed islands. Since 1991, residents of the disputed territories have been allowed visa-free travel to Japan in exchange for similar privileges granted to former Japanese residents of the islands and their families.

At the same time, Japan has in recent years taken a number of actions that have shown unwillingness to compromise on its official position. In July 2009, the Japanese parliament adopted a law stating that the southern Kuril Islands are Japanese territory that has been unlawfully occupied by Russia. After President Medvedev visited Kunashiri in November 2010, Japan filed a protest with the Russian government and temporarily recalled its ambassador from Moscow. The government also protested subsequent visits to the islands by senior Russian officials. While protests on Northern Territories Day (February 11) are an annual occurrence, in 2011 protesters desecrated the Russian flag in front of the Russian embassy in Tokyo while the Japanese Prime Minister declared President Medvedev's visit to Kunashiri an "unpardonable rudeness."

However, Japanese leaders have increasingly come to understand that they need to establish a cooperative relationship with Russia on a broad range of issues separate from the Northern Territories dispute. Japan badly needs to diversify its energy supply sources and increasingly sees Russia as a necessary ally in the region that could help to prevent Chinese domination of East Asia. On energy, Japan has sought to gain access to Russian gas and oil exports from fields in Siberia and Sakhalin, amid concern that pipelines may be built that send the energy resources to China instead. Both countries see China as a rising power that potentially needs to be balanced and have sought to deepen their security relationship to address the changing security dynamics in East Asia. In 2011, Japanese leaders announced they would be willing to consider participating in joint economic activities in the southern Kurils, provided that such activities did not negatively affect Japan's claims to the disputed territories. Japan's

^{*} Gregory Clark, "[Northern Territories dispute highlights flawed diplomacy](#)," *The Japan Times Online*, March 24, 2005.

[†] James E. Goodby, Vladimir I. Ivanov, Nobuo Shimotomai, "'Northern territories' and beyond: Russian, Japanese, and American Perspectives," Praeger Publishers, 1995.

leaders have thus recognized that the chances for solving the territorial dispute are quite low and have resolved to bracket the dispute while developing other aspects of the bilateral relationship.

The Russian Position

When he first came to power, Vladimir Putin sought to solve the dispute with Japan by negotiating on the basis of the 1956 declaration. This was the first official recognition by the Russian side since that year that they might be willing to return some of the islands as part of a negotiated solution. However, the Japanese government rejected this overture, insisting that it was only willing to negotiate the timing of the transfer of all four islands to Japanese control and therefore could not base the negotiations on a declaration that called for the transfer of two of the four islands to Japan while allowing Russia to retain the other two. At the same time, Russia became much stronger politically and economically and was much less in need of the assistance that Japan had always held out as a carrot in exchange for the return of its Northern Territories. As a result, Russian leaders became far more reluctant to endorse even the compromise two-island solution that they had promoted during Putin's first term.

Beginning in 2005, Russian officials have generally argued that the islands belong to Russia and that Japan has to accept Russian sovereignty over all four islands before any discussions can begin. Russia has said it is open to a negotiated "solution" to the island dispute while declaring that the legality of its own claim to the islands is not open to question. In other words, Japan would first have to recognize Russia's right to the islands and then try to acquire some or all of them through negotiations.

During Vladimir Putin's second presidential term, the Russian government began to undertake a number of concerted measures to strengthen Russia's hold on the islands. The first step was the adoption of a special federal program for the economic development of the islands. The program earmarked 18 billion rubles for various infrastructure development projects on the islands to be completed between 2007 and 2015. To ensure its security in the region, the Russian government has recently taken steps to strengthen the islands' defenses. To this end, it is planning to modernize the equipment used by the 18th artillery division, which is based primarily on Kunashiri. Analysts do not expect the dispute to result in armed conflict but do believe that the strengthening of the disputed territories' defenses will show Russia's resolve to keep possession of the islands and may convince Japan to focus on other aspects of the bilateral relationship.*

The primary reason that Russian leaders insist on keeping possession of the islands has to do with conceptions of national honor and the sense that a handover would be seen by both the international community and by the Russian population as an admission of weakness. However, there are also a number of more practical considerations that have pushed the Russian government into a more uncompromising

* See, for example, Andrei Kisliakov, "Iuzhnyy Kurilam Obeshchanna Usilennaya Oborona," *Nezavisimoe Voennoe Obozrenie*, April 22, 2011; Ilya Kramnik, "Kurilskii Pretsedent," *VPK: Voenno-Promyshlennyi Kur'er*, March 2, 2011; Ilya Kramnik, "Kurily: Prognoz Politicheskoi Nepogody," *Golos Rossii*, February 21, 2011.

position. According to Russian scholars, The islands and their territorial waters possess a great deal of economic value for their mineral resources, which include offshore hydrocarbon deposits, gold, silver, iron, and titanium. Etorofu is also the only source in Russia of the rare metal rhenium, which has important uses in electronics. The islands are also able to supply enough geothermal energy to meet its entire annual heating needs. The waters off the southern Kurils are the location of an upwelling that makes the area an exceptionally rich source for fish and seafood production, worth an estimated 4 billion dollars a year. Russian leaders also believe they could turn the region into a profitable tourism center, though this seems somewhat dubious given its remoteness and lack of appropriate infrastructure.*

Russian leaders also see possession of the southern Kurils as playing an important role in defense planning. The islands control access to the Sea of Okhotsk and thereby allow the Russian Pacific Fleet free access to the Pacific Ocean. The deep channels between the southern Kuril Islands allow Russian submarines to transit to the open ocean underwater. Russian military planners have argued that the loss of these channels would reduce the effectiveness of the Russian Pacific Fleet and thereby reduce Russian security in the region.†

Russia's current position on the dispute has much in common with that of Japan. Russia is not particularly interested in making serious concessions on the territorial dispute, but it would like to further develop the bilateral relationship in other spheres, particularly trade and joint development of Russian energy resources. Russia is also concerned about the rapid increase in Chinese economic and political power and would like to work with Japan to constrain Chinese influence.

Potential Solutions

A number of potential solutions to the conflict have been proposed over time. Most of these proposals have come from scholars, although until recently the Russian government was also willing to compromise. Traditional solutions have focused on the number of islands or amount of territory that would be transferred as part of a compromise agreement. The Russian government has periodically offered to transfer the two southernmost islands, while offering to include Japan in efforts to jointly develop the other two islands. From the Japanese point of view, this offer does not seem very equitable, since the two islands that would remain in Russian possession comprise 93 percent of the disputed territory's total land area. The Japanese scholar Akihiro Iwashita notes, however, that the exclusive economic zone (EEZ) commanded by Habomai and Shikotan is quite large and rich in marine resources. Depending on how the boundary is demarcated, the total territory handed over (including maritime territory) could reach half the size of the total EEZ of the four disputed islands: (see Figure 1).

Japanese scholars and a few politicians have recently sought to promote various proposals that include the transfer of Kunashiri and in some cases part of Etorofu to

* A. Koshkin, "Rossiia i Iaponiia: Vozmozhen li Kompromis o Kurilakh," *Aziia i Afrika Segodnia*, November 2008, p. 32.

† Kisliakov; Koshkin, p. 32.

Japanese control. These proposals have collectively been labeled “the 50/50 plan.” These proposals have received the support of a sizeable number of former Japanese residents of the disputed islands and their descendants. Surveys show that both former islanders and other Japanese strongly oppose any solution that would compel Japan to renounce its claims to Etorofu and Kunashiri, but they are willing to accept solutions that are far more flexible than the Japanese government’s current all—or-nothing negotiating position.

At the moment, most Japanese and Russians prefer the continuation of the status quo to territorial compromise. As long as this situation persists, the possibility of a successful negotiated solution is very low. Given the situation on the ground, the ball is entirely in Japan’s court, as Russia holds the territory and therefore has an advantage. Russian leaders have repeatedly made clear that the transfer of all four islands to Japan will never happen. The only way for any progress to be made is for Japan to take the quite radical step (by internal political standards) of dropping its insistence on an all or nothing solution and offering to negotiate the exact parameters of territorial compromise. This would move the ball to Russia’s court as the Russian government would face pressure to confirm its willingness to actually give up territory. Given that Russia has previously on several occasions declared its willingness to give up two islands, it may be difficult for Russian leaders to stick to their recent statements that the southern Kuril Islands are indisputably Russian territory and not subject to negotiation. If they feel confident enough to reiterate their willingness to give up two islands, that would create an opportunity to enter into negotiations over the exact parameters of the territorial compromise, whether this ends up being two islands, three islands, or some version of the 50/50 plan.

However, such a compromise is actually extremely unlikely. The initial move would require a strong Japanese leader to break with decades of precedent and be willing to take on the concerted criticism that is sure to come from Japanese nationalists. Given the long-term weakness and instability exhibited by the Japanese political system over the last two decades, there is a very low probability that such a leader might emerge any time in the foreseeable future. If such a leader did emerge, he would have to expend a great deal of political capital to shift the preferences of the Japanese people and political elites.

There is also the possibility of a non-traditional solution, such as joint sovereignty by both countries over all or some of the four disputed islands. Such a solution would allow the two countries to focus on joint economic development projects in the region, rather than arguing about territorial delimitation. However, such a solution would require Russian willingness to withdraw its military from the four islands. This move would have to be combined with guarantees of major Japanese investment in Russian energy development or other economic incentives.

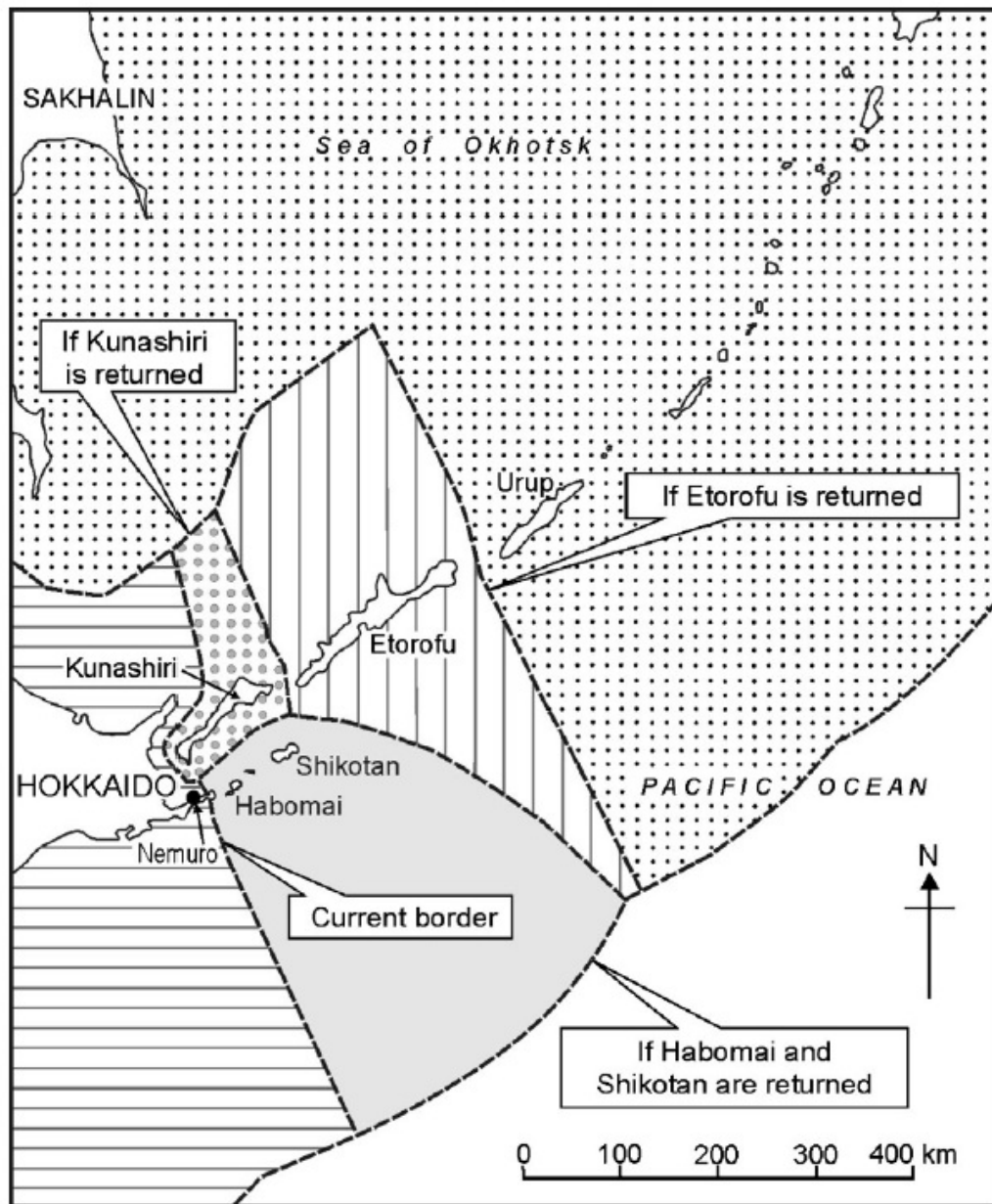
Such a compromise is as unlikely to be reached as the more traditional solutions based on a formal division of the disputed territory between the two sides. The strength of nationalist attitudes on both sides makes it very difficult for political leaders to stand down from the maximalist positions they have adopted for years. Nationalists in Japan

have fiercely attacked both academics and politicians who have broached the merest hint of compromise on the government's long-standing all or nothing position. While Russian nationalists are not as powerful an interest group as their Japanese counterparts, they have previously protested against Russian territorial concessions to China made in 2004. While at that time, Vladimir Putin had broad popularity among the Russian public and could dismiss such protests as irrelevant, the Putin regime now faces a great deal of popular discontent and may find itself less willing to alienate one of its core remaining constituencies.

The change in the Putin regime's circumstances in the last few years points to a second reason that makes compromise unlikely. The political elites in both countries are relatively weak and likely to remain so for the foreseeable future. Numerous large protests opposing Vladimir Putin's stage-managed return to the presidency revealed a widespread sense of discontent with the Russian president, reducing his ability both to make unpopular political decisions and to shift the public discourse in favor of new initiatives. The Japanese government has been weakened by two decades of slow economic growth and popular discontent with widespread corruption among political and business elites. The result has been a revolving-door cabinet, with no prime minister serving for longer than fifteen months since 2006 and only one serving a full term since 1989. Last year's tsunami and subsequent nuclear reactor meltdown at Fukushima further reduced confidence in the government among the Japanese public. The consequence of this lack of trust and government weakness is that Japanese leaders are not likely to take a significant risk on an unpopular foreign policy initiative such as compromising on claims to the Northern Territories.

With neither the Russian nor Japanese leadership in a position to take the political risks that would be necessary to resolve the dispute, the status quo is virtually certain to continue for the foreseeable future. However, this will not prevent the two states from continuing to strengthen their relationship in other spheres, as both sides seek to protect themselves from the economic and political consequences of China's rapid emergence as the preeminent East Asian power. As trade in energy expands and bilateral security cooperation deepens in the coming years, the territorial dispute left over from World War II will become increasingly irrelevant to both the governments and the public. This development could in turn allow for a compromise solution to emerge ten to twenty years down the road.

Figure 1. The Northern Territories' EEZ



Source: Brad Williams, "Dissent on Japan's Northern Periphery: Nemuro, the Northern Territories and the Limits of Change in a 'Bureaucrat's Movement,'" *Japanese Journal of Political Science* 11(2), p. 232. Adapted from Akihiro Iwashita, *Hoppo Ryodo Mondai: 4 demo 0 demo, 2 demonaku* (Chuko Shinsho, 2005), p. 165.

Can There Be Common Ground?

THE IRANIAN NUCLEAR PROGRAM IN THE U.S.-RUSSIA DIALOGUE

PONARS Eurasia Policy Memo No. 227

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The development of the Iranian nuclear program continues to rank highly among challenges to international security, with tensions around this issue climbing to new heights in 2012. Since 2006, multiple UN Security Council resolutions on Iran have had little effect on the program's development. To a significant extent, this can be explained by the differing policies of the United States and Russia in regard to the Iranian problem. Although the United States and Russia are both founders and predominant supporters of the nuclear nonproliferation regime, their policies toward Iran differ. Whereas Washington sees coercion as the main tool to prevent Tehran from building nuclear weapons, Moscow favors a strategy of engagement and appeasement. This discrepancy may have a critical impact on the further development of the nonproliferation treaty (NPT) regime, potentially undermining its stability in the future. This paper explores three sets of issues:

- The similarities and differences between U.S. and Russian approaches toward the Iranian nuclear program, including their roots and justifications.
- The possibility for Moscow and Washington to find common ground on the "Iranian issue" in order to achieve successful resolution.
- The consequences of a nuclear-armed Iran for Moscow and Washington, in case both states' strategies fail to keep Tehran out of the "nuclear club."

U.S. and Russian Approaches toward Iran's Nuclear Program

The Middle East has been a subject of strategic rivalry between Moscow and Washington since the start of the Cold War. After the breakup of the Soviet Union, however, U.S. influence in the region strengthened significantly while Russian influence

declined. Two of the main goals defining U.S. strategy toward the Middle East include preserving global oil flows (33 percent of world oil passes through the Strait of Hormuz) and assuring the security of U.S. regional allies. A nuclear Iran might be an obstacle to both aims. On the one hand, a strong nuclear Iran might be able to dictate its policies in the region. It could control the Strait of Hormuz, thus interfering with the stability of world oil flows, essentially and directly damaging U.S. interests. As significant, Israel, one of Washington's key allies, considers the Iranian nuclear program the gravest threat to its security, while another, Saudi Arabia, sees it as negatively re-shaping the regional balance of power. The famous slogan of the Iranian authorities "to wipe Israel off the map" is often interpreted in Israel as an existential threat to the Jewish state, and a nuclear Iran is seen as a nightmare. In Saudi Arabia, Iran is regarded as both a competitor for hegemony in the Islamic world and as a regional rival. Often, Riyadh has stated that a nuclear Iran might push Saudi Arabia in the same direction. Therefore, limiting the Iranian nuclear program can be considered one of the United States' primary strategic goals, to be fulfilled through tactics including economic coercion (like sanctions), cyber-sabotage (such as the 2010 Stuxnet virus that managed to postpone the development of the Iranian nuclear program for two years), and the threat of military intervention.

Russia lost the majority of its Middle Eastern clients after the breakup of the USSR. However, it maintained some influence through sporadic economic cooperation with countries including Syria, Libya, and Iran. The latter gained the most importance when it became a primary consumer of Russian arms; Russia also provided Iran assistance with its civil nuclear energy development. The importance of Iran in Russia's Middle East policy has increased with the removal of Muammar Qaddafi in Libya and the rise of turmoil in Syria. While Moscow deems that supporting the Iranian nuclear program is in Russia's strategic interests, it also believes that it is possible to prevent Tehran from opting for a nuclear weapons program by assuring the Iranian regime of its longevity. Furthermore, Moscow identifies Russian assistance in the development of Iran's nuclear program not only as a symbol of its presence in the Middle East. It sees the "Iranian nuclear dossier" as a bargaining instrument in its dialogue with Washington on related issues like missile defense.

Can There Be Common Ground?

This brings us to the second point of discussion: the possibility of reconciling Russian and American positions in order to find a solution to the Iranian issue. A precedent was set in 2009, when the Obama administration hinted at the possibility of trading European missile defense for Russian cooperation on Iran. At first, a bargain seemed attainable. Russia postponed—and then canceled—the promised delivery of S-300 surface-to-air missiles to Iran, thereby supporting one regular UN resolution against the Islamic Republic. But the Obama administration's new plans for missile defense revealed the temporary character of the U.S.-Russia consensus on the Iranian nuclear issue. This demonstrated to Tehran the possibility of further developing its nuclear program, since no radical Security Council resolution against Iran can be adopted

without Moscow's consent. The possibility for convergence in Moscow and Washington is even lower today. This is not only given disagreement on issues like missile defense and Syria, but because of the contradictory ways in which the two sides have clarified their visions for the future of the Iranian nuclear program. Washington insists that uranium enrichment by Iran is unacceptable, while Moscow is ready to grant Tehran freedom of action in the field of civil nuclear development in exchange for Iran's full cooperation with the International Atomic Energy Agency (IAEA). This disagreement practically rules out any common position among the five veto-wielding permanent members (P5) of the Security Council, which would be able to impose universal sanctions on Iran. However, the same lack of unanimity also prevents Moscow's variant, which relies on reassuring Iran that it will not be an object of external aggression and further economic pressure by the West. Being unable to unite all its members in a single strategy, the UN P5 is unable to resolve the situation. This gives Tehran the impression that it may carry on with its nuclear goals despite all the noise from the UN. This leads us to the hypothetical situation addressed in the final part of this memo.

A Nuclear Iran?

The emergence of a nuclear Iran would place both the United States *and* Russia in an uncomfortable situation. Washington would have to establish a strong system of restraint and extended deterrence in the Middle East, containing Israel from attacking Iran while deterring Iran from provoking or attacking Israel. This would be a difficult feat, and both sides could gravitate toward first-strike options. Iran might do so thanks to a small number of nuclear weapons and overall vulnerability to a first strike. For its part, Israel could opt for a first strike to protect its small territory. The doctrine of mutually assured destruction, which helped keep the United States and the Soviet Union from ending up in nuclear war, would hardly work in this case, due to the great disproportion between the territories of the two states, on the one hand, and their geographical proximity and absence of diplomatic ties, on the other. The first factor prevents any kind of parity between Iran and Israel, while the latter two leave no room for early warning systems or private communications. A lack of assurance to Israel or Iranian miscalculations could lead to the unthinkable: a nuclear catastrophe in the region, in which the United States would inevitably become engaged.

In such a context, Russia's role could be critical in at least two ways. First, and most constructively, Moscow might help deter Iran and support U.S. strategy in the region. This situation would be stabilizing for regional security as Tehran, being deterred by two nuclear superpowers, would be less reckless and more predictable in its actions, while Israel would be doubly assured in Iran's restraint. A nuclear Iran could also push the United States and Russia to overcome their contradictions on missile defense.

Second, and more destructively, Russia would pursue its geopolitical ambitions, emulating the role of China in its interactions with North Korea. This would give Moscow the unfounded impression that it could control Iran and would reinforce an Iranian misperception that it has a powerful ally and is safe from punishment. Protected

by the idea that global nuclear war is obsolescent, Tehran might perform some reckless regional actions (against Israel or Saudi Arabia), which could lead to military escalation and the transformation of a conventional crisis into a nuclear one.

Conclusion

In sum, the problems associated with the resolution of the Iranian nuclear issue stem from a fundamental difference between the positions of key permanent members of the UN Security Council, in particular the United States and Russia. The main reason for these differences is the inherently opposing strategic interests of Moscow and Washington in the Middle East. These interests define different approaches toward the Iranian nuclear program, blocking the possibility of resolving the problem through common tactics.

Second, it is difficult for Russia and the United States to reach a common position on the Iranian nuclear program, due to the growing number of contradictions and unresolved issues in the U.S.-Russia dialogue. At the same time, some progress could be reached if Russia, for instance, received at least some concessions on issues it deems important, such as European missile defense. This possibility cannot be excluded, especially if the Obama administration stays in power.

Third, if Moscow and Washington fail to find common ground, the worst-case scenario, namely the emergence of nuclear Iran, can also not be excluded. This situation would be damaging not only for the NPT regime, but also for global nuclear stability. In this case, Russia's role could be critical.

The Syrian Civil War

TRANSITION WITHOUT INTERVENTION?

PONARS Eurasia Policy Memo No. 228

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The events of summer 2012 marked an important shift in the Syrian crisis. On July 15, the International Committee of the Red Cross classified the conflict as a civil war, as a way to warn against mounting battle-related casualties and, especially, the growing death toll from one-sided violence against civilians. The government's retaliation to the first coordinated military offensive by insurgents outside peripheral areas since late July has been the harshest of all seen thus far, but it only radicalized its armed and unarmed opponents. As violence expands and becomes progressively more deadly, polarized, and sectarian, the conflict acquires the character of an all-out war for survival, especially, and increasingly so, for the regime and its remaining supporters.

One of the most striking phenomena, however, has been the widening gap and growing disconnect between the conflict's internal dynamics and its international dimension. The latter itself is a mismatch between agitated political rhetoric, ambitions, and purported influence on Syria and a reluctance or inability in practice to go beyond "wait and see" policies. Despite all policy differences, this applies as much to the United States, the European Union, and the Arab League, as it does for Russia and China. Attempts to mediate a ceasefire as part of the UN-sponsored "Annan plan" failed as the plan embodied a compromise between key external stakeholders, not parties within Syria, on little more than the need to buy time. An even better reflection of this "wait and see" approach was the replacement of the UN monitoring mission, the mandate of which expired in mid-August, with the ambiguous combination of a token UN presence and the appointment as new UN and Arab League special envoy to Syria of Lakhdar Brahimi, the world's chief authority on peacebuilding in theory and in practice.

This memo argues that the issue of what the international role in the Syria crisis should be – which remains the central focus of much international political rhetoric and media – is, and in the near future will remain, completely overwhelmed by the conflict's internal dynamics. It is these dynamics that will ultimately determine the form of international engagement, not the other way around. While military, political, and socioeconomic developments inside Syria in mid-2012 have brought the fall of the Assad

regime closer, this does not guarantee “political transition” per se. Nor might it suffice to prevent a nationwide humanitarian catastrophe or the complete collapse of the Syrian state.

“Wait and See”

In contrast to the common impression, the real policy options of the international community have not been primarily shaped by disagreements in the UN between the coalition of Western and Arab League states, on the one hand, and Russia and China, on the other. Instead, these options have been based on and constrained by two fundamental factors.

First, most external stakeholders—including the United States, its European allies, Syria’s neighbors (Turkey, Lebanon, Iraq, and Jordan), Egypt and non-Gulf members of the Arab League, and, ultimately, Russia and China—would prefer some middle ground between escalating civil war and uncontrolled disintegration of the Syrian state and society. Two exceptions—Saudi Arabia and Iran—have stronger biases. Iran, for its part, risks losing a key state ally (and its only one in the Arab world). Saudi Arabia (and, to some extent, other Gulf monarchies) try to do away with the pro-Iranian regime while averting or checking the growing “threats” of reformist and radical Islamism to their own regimes, in a regional context marked by democratization and an increasing role for mass-based political Islam. As no one else seems to question the preference for a more controlled transition, the main international disagreements are about the preferred outcome of the transition process, in other words, whether or not a new regime should contain elements of “Assadism.”

Second, no Western government really desires, or can afford, direct military intervention in the Syrian civil war in the near future. While some Arab League members, especially in the Gulf, may desire intervention, they have been neither willing nor in a position to launch one on their own. The Obama administration’s practical steps have demonstrated a preference for a managed transition that would remove Assad but fall short of the complete disintegration of the Syrian state, with its destabilizing regional knock-on effects. This preference should be distinguished from the administration’s passionate rhetoric of democracy promotion and support for the insurgency and for the need to protect civilian lives in Syria. It should be noted that the latest in a sequence of Russian and Chinese vetoes at the UN Security Council (on July 19) of the “Chapter 7 resolution” on Syria that would open the way up for enforcement including military intervention provided another perfect excuse for the United States to talk boldly while refraining from acting decisively.

In pursuing its course, the Obama administration is driven not only by election year pressures but also by the specific difficulties of the Syrian situation and regional context. Apart from a general reluctance to get militarily involved in another messy conflict at the end of President Obama’s first term, there are other grounds for the administration to prefer a “controlled transition” that implies the continued functioning and rehabilitation of some existing institutions (including through cooperation with moderate/renege elements of the regime). These grounds include concerns about

Syria's chemical weapons arsenal; the need to keep in check violent Islamist extremism in the region, in particular to deny space to al-Qaeda-style elements; and broader worries about potential regional destabilization, especially as it relates to Israel's security.

The reality is that, regardless of the Russian and Chinese vetoes and the failure of the "Annan plan," the "wait and see" approach continues to best serve the U.S. administration's "calculus," using President Obama's term. This approach still implies some hope—for the United States and most other international stakeholders save Iran and Saudi Arabia—that events on the ground inside Syria could prompt a major domestic change that could conceivably open up new venues of (post)conflict engagement without the need to resort to external military intervention in the midst of heavy fighting and protracted sectarian war.

While Russia will not change, on principle, its opposition to UN Security Council approval for a military intervention against the Syrian regime, the lack of an explicit UN mandate has not stopped the United States from undertaking interventions in the past, including in support of armed oppositions against central governments. However, in the case of Syria, a U.S. (or U.S.-NATO) unilateral intervention remains hypothetical. Even when President Obama first voiced the direct threat of a U.S. use of force against Syria on August 20, in response both to electoral pressures and an escalation of violence on the ground, he had to invoke the unlikely prospect (thus far) of some catastrophic development, such as a loss of control over Syria's chemical weapons, to merely justify such a threat.

Ironically, the escalation of violence in Syria since midsummer, by radicalizing both parties and creating the impression of a somewhat more even military balance on the ground, did more to undermine the prospect of Assad's stay in power than had any Western/Arab diplomacy or pressure. Above all, recent developments confirm that if something critically changes the situation, it will likely be political and military dynamics on the ground and not international diplomacy. That said, international factors, without being decisive drivers, may still serve as both facilitating and/or complicating conditions for ending the conflict.

Military Developments

Until mid-July, a breakthrough on either side seemed unlikely, making most actors in and outside the region increasingly frustrated with the status quo and critical of the international community's "wait and see" approach. The insurgency had not become a single well-coordinated force, was difficult to arm from outside, and appeared to be confined to relatively peripheral areas of the country. The insurgency's highly fragmented nature was reinforced by divisions within the broader opposition (such as between secularists and fundamentalists, and émigré and indigenous forces), as well as a slide toward more radical and sectarian patterns of violence. In light of the robust government response and backlash from government-affiliated militias (*shabikha*), the insurgents stood little chance to change the asymmetrical power equation.

However, in mid-July, a major unexpected rebel offensive for the first time

extended hostilities to Syria's two largest cities and main power centers, Damascus and Aleppo. The offensive was also the first nationwide campaign, as insurgents simultaneously seized crossings at borders with Iraq and Turkey and carried out smaller-scale operations in the periphery. While the government was quick to respond, the rebel attacks on Damascus and Aleppo were aimed precisely at provoking a brutal counteroffensive in the country's once safest urban areas, thereby undermining the regime's credibility among neutral and even supportive populations. While increased foreign aid (in particular, from Saudi Arabia, Qatar, and Turkey) contributed to the insurgents' capacity to mount such operations, the offensive was an indigenous operation carried out in the context of a civil war.

Despite the insurgents' obtaining some military and psychological gains with their midsummer attacks, however, even a large-scale and better-coordinated national offensive, or even several ones, will not be able to change the power balance in their favor any time soon. The armed movement has not consolidated to the point where it could stably hold any area for a significant period of time. Only a combination of sustained insurgency and communal violence, accompanied by a collapse of basic services and state functionality, could really change the balance of forces in the longer run. The cost of fighting is still far from untenable for either side.

In this context, the hands-off approach of the international community should not be dismissed solely as a product of international disagreement. It can also to an extent be considered a genuine effort to leave room for events inside Syria to take a more decisive course.

An "Inner Circle" Divided?

Compared to other states in the Middle East affected by protests and/or anti-government violence, Syria has had the least chance of experiencing a "palace coup" option. This is due to the particularities of Syria's rule by minority. A closely-knit caste has been in power for over four decades; its Alawite kin dominate the security forces; and the military forces have no autonomous role. Until recently, there were no grounds, despite some defections, to question the loyalty of the core regime elite.

However, the mid-July bomb attack in Damascus that killed four members of Assad's inner circle, including one of his main family confidantes and the heads of Syrian defense and intelligence, might have been an important sign of internal divisions. A common interpretation of the assassination attack is that it was the result of a bold insurgent attack facilitated by anti-government sympathizers or agents inside the security services. This interpretation holds that the killing of top security leaders directly weakened the government. It questions the regime's internal cohesion and hints at a larger number of renegade elements than previously thought.

Alternatively, it could also be suggested that the top security leaders killed in the attack might have themselves formed the core of a potential "palace coup," or been suspected of planning one by more hardline regime elements or rival security services. While this version is less publicized, it is also entirely possible. A group of select heads of the security establishment, with or without links to present and future high-level

defectors, could have planned to sideline hardliners within the security sector (such as Assad's notorious brothers and cousins) and to try and negotiate a role for themselves in the transition process or at least an acceptable exit strategy. By this interpretation, the bombing, conveniently blamed on the insurgents, has actually strengthened, not weakened, hardliners in the regime.

This interpretation also appears in line with the broader and more fundamental transformation of the regime's core, including the security services and the army, into a sectarian force that fights for survival and, parallel to the radicalization of the insurgency, reinforces the Alawites' growing "siege mentality." Ironically, it is this sectarian consolidation that, while likely to prolong the fighting in the short- to mid-term, ultimately makes the Assad-type rule in Syria untenable.

Conclusions

If the international community's "wait and see" policy has been driven by a combination of lack of leverage and constraints on intervention together with some genuine anticipation of more decisive domestic political and military developments, then it may have been more adequate than generally thought. The outcome of the crisis is indeed likely to be decided on the ground rather than by international stakeholders.

What this outcome will be is another matter. One possible scenario is still some form of political transition from the present system to a more representative one. However, this outcome is increasingly unlikely. The Syrian government may suffer more military setbacks, but none of them are likely to become mortal or final blows. Since mid-2012, there is no longer any doubt that Assad will eventually have to surrender power, but the ruling caste could yet hang on for months or more. Even a major weakening of the regime or Assad's removal would not guarantee a manageable political transition. It might instead be a step toward the complete collapse of governance, without either political transition or direct intervention.

All-out political, economic, and security disintegration is, in fact, the second, increasingly plausible scenario. This outcome implies a complex, fluid, and deadly mix of chaos and Lebanese-style sectarian division (up to de facto partitions of some territories). This scenario poses grave risks to the Syrian population in general and minorities in particular.

By autumn 2012, the prospects of the eventual disintegration of Syria's regime as a result of internal developments, even without direct military intervention, have increased. Against this backdrop, instead of focusing on the issue of intervention or trying to directly influence the domestic course of Syria's civil war, the international community could do more (for instance) to contain such real and deteriorating regional aspects of the crisis like proxy and spillover conflicts (in Lebanon, for example).

While a U.S.-led or U.S.-sponsored intervention in Syria's ongoing civil war still seems as unlikely now as before, even under the pretext of a threat of chemical weapons proliferation, the possibility of an international humanitarian intervention at a later stage should not be excluded. This possibility will loom if the outcome of events inside Syria follows the second scenario—the total disintegration of governance, politics,

economics, and security with no signs of a nationwide political transition. If this scenario comes to pass, ironically, it might actually be easier to build an international consensus in support of a humanitarian /peace enforcement /peace-building mission than for intervention in an ongoing civil war with the goal of regime change.

Electoral Laws and Patronage Politics in Ukraine

PONARS Eurasia Policy Memo No. 229

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Ukraine's current political system can be considered a classic case of patronage politics. The persistence of patronage politics in Ukraine can be attributed not only to structural, historical, and cultural factors, but also to particular decisions regarding constitutional design, electoral rules in particular. In particular, the 2010 rollback of Ukraine's 2004 constitutional reforms have strengthened President Viktor Yanukovich's ability to wield both formal and informal tools of governance, including by broadening the patron-client foundations of his regime. At the same time, however, this process also has appeared to lead to a weakening of the ruling party itself while spurring consolidation of the opposition. Ironically, Ukraine's new bout of patronage politics may in the end promote rather than hinder the country's ongoing political transformation.

Resetting the Rules of Game

The transformation of Ukraine's political system from a premier-presidential system with a dual executive (2005-2010) to a super-presidential regime began with the 2010 restoration of the 1996 constitution. This involved a rollback of the 2004 constitutional reforms, which had led to the formalization of electoral competition between patron-client networks via a party list system and the expansive growth of major networks, such as the Party of Regions (PR), led by Yanukovich, and the Yulia Tymoshenko Bloc (BYuT), both of which formed effective political machines for the accumulation of votes and the nationwide redistribution of patronage.

After winning the presidential election in 2010, Yanukovich commanded a relative party majority in the parliament, which his predecessors Leonid Kuchma and Viktor Yushchenko never had. This was also the first time that a parliamentary majority was bound by the leashes of tight party discipline. Meanwhile, Tymoshenko's imprisonment in 2011 left the BYuT's regional organizations without the support of rent-seeking tycoons or political investors, who either defected to the party of power or adopted a fence-sitting stance.

The new November 2011 electoral law is based on a mixed electoral system, used earlier in Kuchma's super-presidential system. The law should be considered in the

wider context of the “dual spiral” of Ukrainian politics that is based on the transformation of the dominant party through patronage politics and the use of bureaucratic resources (both carrots and sticks) to secure support.* Under the new electoral law, 50 percent of MPs (225 out of 450) will be elected on party lists via proportional representation, and 50 percent will be elected by a plurality vote in 225 single-member constituencies. The electoral threshold in the party list vote is now five percent (from 3 percent), and political party blocs are denied participation. How have the new rules shaped the behavior of key party players?

Broadening Patron-Client Networks

Yanukovych’s super-presidential regime has become trapped in a winner-takes-all political system that requires from the party of power the permanent reassertion of its dominance in parliament. In most cases, this is impossible without coalition partners (in other words, compromises with “hidden” patrons from alternative patron-client networks). One example of this is the PR’s relationship with Volodymyr Lytvyn’s People’s Party and the Communist Party of Ukraine. These allies not only control the offices of the speaker and vice-speaker, but they are also important for passing many laws.

At the same time, the expansive growth of the PR’s formal political dominance (incorporating different segments of informal patron-client networks into a centralized formal organization) appears to have come to an end. After the incorporation of the RosUkrEnergo group (Dmytro Firtash and Yuri Boyko) patron-client network in 2007-2010 and the absorption of Strong Ukraine (Serhiy Tyhypko) in March 2012, the estimated ceiling for the PR’s party list results is likely no higher than 35 percent. This might make an excellent result in a premier-presidential system, but it is insufficient for the super-presidential system of today, which requires an absolute majority—not a relative one—to function effectively.

The constitutional change thus has led to a clear shift not only toward extra-party sources of support based on informal patronage but also a substantial formal extension of the elite support base outside the PR. Three vivid examples of the incorporation of such “outside” patron-client networks are:

1. The formation of Ihor Rybakov’s Reforms for the Future faction. The 19-person faction was established in February 2011 mostly on the basis of some BYuT deputies and the Our Ukraine-People’s Self-Defense bloc of former president Viktor Yushchenko.
2. The co-optation of the former head of the president’s secretariat, Viktor Baloga, as Minister of Emergency Situations in November 2010 and the *Yedyny Tsent*r party’s support of the ruling coalition.

* “The Dual Spiral of Ukrainian Politics after 2010,” PONARS Eurasia [Policy Memo No. 165](#), George Washington University (September 2011).

3. The co-optation of Petro Poroshenko, one of the key actors in the Orange Revolution, as Minister of Economic Development and Trade in March 2012.

Characteristically, all three groups have branching regional patron-client support networks that are able to secure victory in single-member constituencies and are thus additional resources for forming a pro-presidential majority after the October 2012 parliamentary elections. In particular, Victor Baloga will run for parliament in his fiefdom of Zakarpattia (Transcarpathia), where he plans to shepherd through four representatives of his clan (himself, his brothers Ivan and Pavlo, and his cousin Vasyl Petevka). Petro Poroshenko will run for parliament together with his father Oleksiy and his sub-partners in the Vinnytsia region, which is their business base.

Two important consequences of the changes were the general decline of the role of the PR as a formal machine for national organization and discipline of elites, and the expansion of the sphere of direct presidential patronage as a channel for the co-optation of new elite allies that seek protection for their businesses.

Electoral Rules: Breaking Down the Ruling Party, Uniting the Opposition?

New electoral rules have greatly modified the strategy of party players, who were given the possibility to distribute their forces and resources via both party lists and single-member constituencies. The effect of the new electoral system has varied for the party of power and the opposition. It has facilitated *segmentation* of the former and *unification* of the latter.

The new electoral law has had several consequences for pro-presidential forces. First, it has led to greater competition among different interest groups within the PR for the right to nominate their candidates to single-member constituencies. Attachments to different patrons and centers of influence within the PR have allowed aspiring candidates to bandwagon on the controversies among them and appeal to the availability of their own local resources, high ratings, and popularity in single-member constituencies. In some regions, candidates have enlisted the support of different patrons such as the formal leader of the election campaign headquarters, Andriy Kluyev, or the presidential chief of staff, Serhiy Lyovochkin, to contest the same district.

Second, many candidates in the party of power, especially in the central and western regions, are campaigning as independent candidates so as not to draw attention to their connection to the PR. Moreover, even in many eastern and southern regions, ruling party candidates virtually abstain from using the white-and-blue symbols of the PR and hide behind the support of newly established public organizations with amorphous names.

Third, one unanticipated consequence of the new electoral law has been an open competition between several pro-presidential candidates in one electoral district. These candidates rely on their own autonomous informal patron-client networks and are not especially dependent on central PR headquarters. For example, the previously-

mentioned clans of Viktor Baloga and Petro Poroshenko are competing with other pro-presidential patron-client networks for the support of the center, the Baloga clan against the patron-client network of the local PR head, Zakarpattia governor Oleksandr Ledida, and the Poroshenko clan against that of State Customs Service head Ihor Kaletnik.

On the other side, one completely unexpected aspect of the new electoral law has been its effect on the opposition's campaign and coalition-building strategies. The rather high 5 percent electoral threshold has generated incentives for opposition parties to coalesce around their most potent representative—in this case the *Batkivshchina* party, which lies at the core of the BYuT. Efforts to unite the opposition, spearheaded by the Front for Change (Arseniy Yatseniuk), have resulted in the United Opposition "*Za Batkivshchiny*" candidate list. This list also includes representatives of small opposition parties that have no hope of clearing the 5 percent threshold by themselves, including the Civil Position Party (Anatoliy Hrytsenko); the People's Self-Defense Party (Yuriy Lutsenko's party that merged with *Batkivshchina* in 2011); For Ukraine! (Vyacheslav Kyrylenko); Reforms and Order (Serhiy Sobolev); and *Rukh* (Borys Tarasyuk).

The opposition camp has also been successful in coordinating the nominations of candidates for single-member constituencies. "*Za Batkivshchiny*" is contesting seats in 190 constituencies while the nationalist *Svoboda* party (Oleh Tyahnybok) is contesting 35. Although these opposition groups can only be certain of victory in three regions of Halychyna (Galicia) (24 majoritarian seats) and several districts of Kyiv, the agreement between them is an important precedent for future parliamentary campaigns.

At the same time, the election campaign has proven that new electoral rules do not always create incentives to coordinate opposition efforts. This especially applies to parties that are de facto centrist, even if they employ aggressive opposition rhetoric. The UDAR party (Vitaliy Klichko) is one such example. UDAR has a high chance of clearing the 5 percent threshold on its own. Given their rating boost which, among other things, is due to Front for Change supporters, UDAR saw no particular benefit in joining "*Za Batkivshchiny*," or even coordinating nominations in single-member constituencies.

Another case is Ukraine Forward! (Nataliya Korolevska), a puppet party that is trying to occupy the former niche of Strong Ukraine and win the youth protest vote, particularly in the east and south of the country. Opinion polls show that Ukraine Forward! is hovering around the 5 percent threshold, although an unlimited election budget, an aggressive television advertising campaign, and the allure of iconic football player Andriy Shevchenko may facilitate the party's successful entrance into parliament.

Current surveys suggest that only the PR, "*Za Batkivshchiny*," the Communists (KPU), and UDAR will unconditionally make it into parliament. *Svoboda* and Ukraine Forward! also have decent prospects for clearing the parliamentary threshold. The party of power intends to get 70-80 seats via party lists and 150-170 seats via single-member constituencies. This means securing at least a stable absolute majority (over 225 seats) if not a constitutional majority, which would be necessary to introduce constitutional changes (300 seats). The United Opposition optimistically forecasts that it will win 80-90 seats on the party list, while KPU and UDAR win 20-30 seats each.

Conclusion

In using a mixed electoral system, the party of power is trying to create additional sources of support for its super-presidential winner-takes-all regime. Additionally, the party of power is attempting to compensate for an insufficient number of party-list seats by including in the pro-presidential coalition most rent-seeking regional barons, local oligarchs, and ambitious local government politicians via mechanisms of patronage.

To what extent will the party of power's expectations of forming an absolute, and possibly constitutional, majority come true? Will the Ukraine Forward! party or UDAR enter into a new pro-presidential grand coalition? To a large extent, the answers to these questions will lie in actors' calculations concerning the next presidential election in 2015.

The experience of Leonid Kuchma's second presidential term shows that the crumbling of an incumbent's patron-client network begins with majoritarian MPs, whose behavior tends to be defined by their need to seek protection for businesses and to find the most effective points of rent extraction. They are thus constantly on the move from one patron to another, have some resource autonomy, and are willing to collectively defect for the sake of their own survival. In fact, it was Ukraine's majoritarian deputies that facilitated a rapid shift of the inter-elite power balance in the Orange Revolution and, in some cases, the relatively painless integration of old elites into the new governing team. Meanwhile, a diversity of interests inside the PR may lead to the development of new cleavages and diverse opinions concerning the best candidate to succeed Yanukovich. In this sense, the October 2012 parliamentary elections will be a pivotal point for Ukraine's super-presidential regime while demonstrating how the mixed electoral system may yet be an important factor for regime change.

Georgia's Parliamentary Elections

THE START OF A PEACEFUL TRANSFER OF POWER?

PONARS Eurasia Policy Memo No. 230

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As Georgia's parliamentary (October 2012) and presidential elections (2013) approach, many consider that their conduct and results will be critical indicators of Georgia's democratic progress. President Mikheil Saakashvili's decision to appoint the powerful minister of internal affairs, Ivane (Vano) Merabishvili, to the position of prime minister triggered widespread speculation. Some believe that this move indicates Saakashvili's intent to step away from politics when his term in office ends in 2013. Some view it as a fierce pre-election move in the ongoing battle with opposition leader Bidzina Ivanishvili, who heads the Georgian Dream political coalition. While the political temperature continues to increase prior to elections, Georgia's long-term security and prosperity depend in large part on the quality of its democracy. This memo attempts to analyze current challenges in Georgian party politics during this important period.

Pragmatic Dreamer or Russian Stooge? The Credibility Problem of Ivanishvili

Georgia, more than any other country in the post-Soviet space excluding the Baltics, has publicly committed to establishing the rule of law and building democratic institutions. Until recently, however, the biggest problem of its unconsolidated democracy has been a lack of social forces or a political grouping powerful enough to effectively balance the government. Although the legislative framework has changed significantly over the last few years, the application of democratic electoral processes remains a serious challenge. But, as recent developments in Georgian politics show, the situation may be changing.

Billionaire Bidzina Ivanishvili's October 2011 declaration that he would challenge Saakashvili in parliamentary elections galvanized Georgian politics and shook awake opposition-minded segments of society. The most credible threat to the ruling party almost overnight, Ivanishvili declared that his Georgian Dream coalition is the only force capable of unseating the government via the ballot box. Although it remains to be seen whether he can be victorious, Ivanishvili has promised to pour one billion laris (\$600 million) into agriculture, an economic sector that employs over 55 percent of Georgia's workforce, in case of his victory. He has also pledged to continue reforms,

ranging from constitutional amendments to taxation policy. Ivanishvili also promises to improve relations with Russia while maintaining strong ties with the United States, an agenda that has so far proven impossible for every Georgian leader since independence.

Shortly after announcing his intention to form a political party to challenge the ruling party, Ivanishvili was stripped of his Georgian citizenship, which he received in 2004, on a debatable technicality and even though he was born in Georgia and has lived there most of his life (he had acquired Russian citizenship in the 1990s, as he was working in Russia when the Soviet Union collapsed). However, facing heavy domestic and foreign criticism, the Georgian parliament adopted an unusual amendment to the constitution allowing EU citizens that are residents of Georgia—Ivanishvili also holds French citizenship—to participate in parliamentary and presidential elections as voters and candidates. Still, the government continues to withhold Ivanishvili’s citizenship, an awkward situation of which most Georgians disapprove. According to a public opinion survey commissioned by the U.S.-based National Democratic Institute (NDI),* 71 percent of Georgians disapprove of the government having stripped Ivanishvili of his Georgian citizenship, and 63 percent disapprove of a decision by the Civil Registry Agency to subsequently deny Ivanishvili’s application for citizenship through naturalization.

Although the new standard effectively permits Ivanishvili to participate in upcoming parliamentary and presidential elections, he has said that he will not take advantage of what is widely considered to be an amendment tailor-made for him as a political solution in lieu of resolving the citizenship question. In any case, the amendment only applies until 2014.

In response to criticism, the Georgian government and pro-government media quickly shifted attention to Ivanishvili’s properties, which they claim he acquired mostly through business in Russia, hinting at his pro-Kremlin orientation. During the uneven election campaign, Ivanishvili has been repeatedly provoked and his businesses and supporters have been subjected to police harassment, surveillance, and arrests on trumped-up charges. The government claims that the “Russian-influenced opposition” could subvert Georgia’s parliamentary elections and that Ivanishvili poses a challenge to the pro-Western course that Saakashvili has taken.

It seems, however, that the Georgian public is not ready to see things in such black and white tones. Ivanishvili’s coalition is eclectic. It lacks ideological unity and consists of figures ranging from a Georgian ex-football (soccer) star, Kakha Kaladze, to officials from former president Eduard Shevardnadze’s time who still believe that there is a deal to be had with Russia. Coalition supporters also include a part of liberal voters, mostly grouped around the Free Democrat and Republican parties, who are fed up with the ruling party and/or disillusioned by Saakashvili’s regime. So far, Ivanishvili has managed to stay calm in the face of challenges and not tarnish his reputation as a moderate politician.

Notwithstanding, Ivanishvili’s “Achilles Heel” is that he is perceived as a Russian tycoon. Few believe that Ivanishvili could so quickly and easily sell most of his

*Available at <http://www.civil.ge/files/files/2012/NDI-June2012-Survey-ENG.pdf>

accumulated assets in Russia, worth billions of dollars, without the tacit approval of Vladimir Putin or those around him. In Georgia's polarized politics, in which anti-Kremlin sentiments remain strong, this image could be suicidal for any political figure. In such circumstances, it seems that the success of Ivanishvili's coalition may also depend on how soon he can shed the image of being a Russian Trojan horse in public and remove all suspicions regarding his purported links to Moscow.

Initially, Ivanishvili tried to distance himself from openly pro-Moscow (and marginal) politicians such as Zurab Noghaideli and Nino Burjanadze. In the end, however, he could not resist meeting the latter after Burjanadze decided not to run in elections in order to avoid splitting the opposition vote. Hailing Burjanadze's stance, Ivanishvili does not rule out offering a position in government to her. This as well as his soft stance on Russia and avoidance of clear policy prescriptions on how to deal with Russia's occupation of Abkhazia and South Ossetia has caused him to attract his fair share of adversaries. Some also criticize him for not having a clear political philosophy, as he balances between moderate-leftist to extreme neocommunist ideas. And although he has said that there is no alternative to Georgia's Euro-Atlantic orientation, he seems ambivalent about this point, and his foreign policy orientation is generally uncertain. Unlike Saakashvili, Ivanishvili believes that foreign policy should be determined by, and subservient to, domestic policy. Being a pragmatic businessman, he also understands that Georgia needs better relations with Russia but has so far refrained to state the price Georgia should be willing to pay to achieve it. His unanswered questions confuse the electorate as most Georgians, who would like to see a better relationship with Russia, still do not want to see that improved relationship come at the expense of irrevocably losing Georgia's occupied territories.

Another challenge for Ivanishvili has been his association with the Soviet intelligentsia and others from the older nomenklatura, who have been dissatisfied by their marginal role in Georgian politics since the Rose Revolution and harbor hopes of a comeback. While they are grouped around Ivanishvili's personality, some of them may have their own credibility among segments of the broader population. However, clear alignment with this group can also dissuade a large number of undecided voters who are still not convinced that Ivanishvili will bring something new to the stage. A fancy political team with a Western-style public relations campaign will not change this perception. In any case, his current coalition, made up of diverse ideological groups, will most likely disintegrate once it enters parliament. He will then need the support of popular individuals from the intelligentsia and independent politicians who, without any hesitation, support his cause. So far, it is not clear who his core political supporters are and how many of them will drift away after the election.

Government in Opposition?

Almost immediately after Ivanishvili entered Georgian politics, the ruling party mounted an aggressive campaign to mobilize its supporters across the country. Given the importance of elections to Georgia's democratic future and its stability, the government has been at pains to emphasize that elections will be free and fair. Despite

the fact that Saakashvili cannot himself run as president, he is technically eligible to be selected next year to what will become the more powerful post of prime minister, and he has actively campaigned for the National Movement. Facing growing competition from Ivanishvili's opposition coalition and to further boost the National Movement's ratings, he appointed as prime minister his close ally Vano Merabishvili, who is associated with successful police reform and a crackdown on corruption. The significance of this appointment has been widely debated. While some suggest that Merabishvili's political influence has been downgraded by this nomination, most believe that his political position has been strengthened and that Saakashvili has effectively nominated Merabishvili to be his successor.

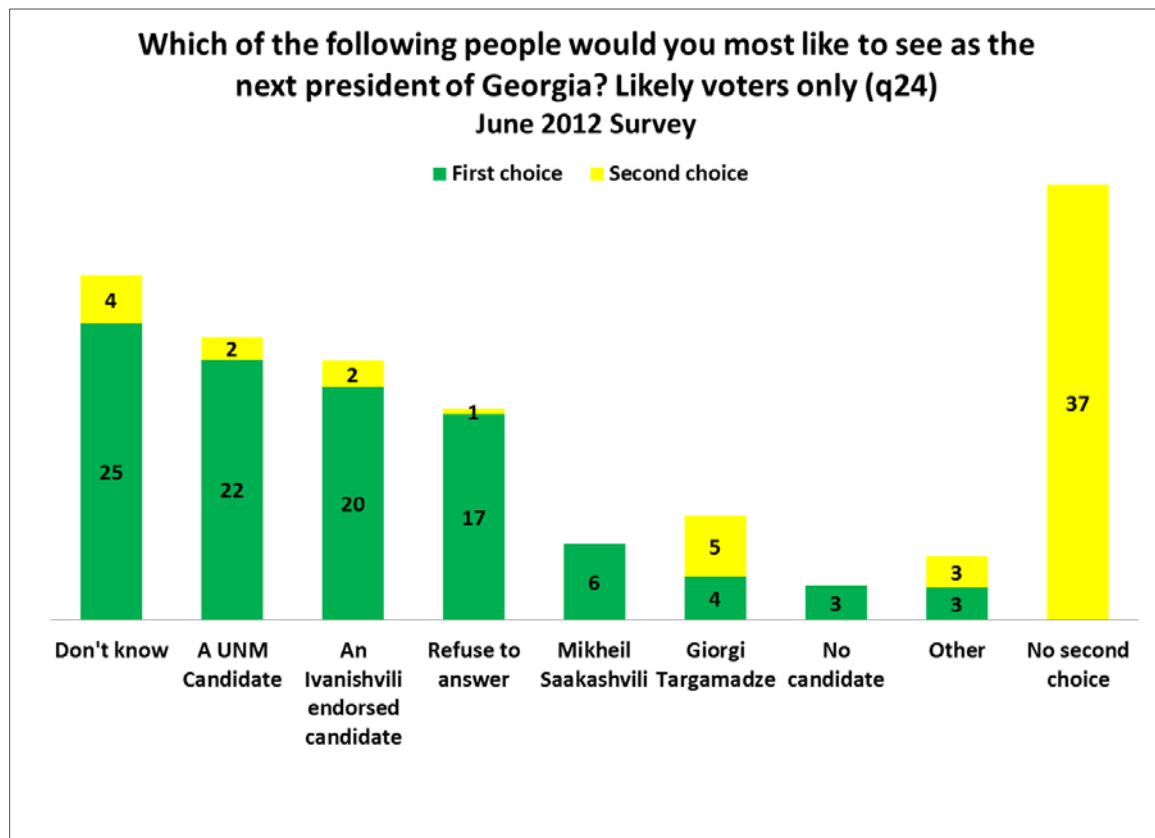
Whatever the final implications of his appointment, Merabishvili for now has been tasked with responding to Ivanishvili's heavy social rhetoric by tackling unemployment and implementing agricultural and health care reforms. Thus, while the ruling party considers itself to be center-right (and has periodically advocated essentially libertarian policies), it has entirely changed focus in the campaign season and switched to a leftist rhetoric of "more benefit for the people." Unsurprisingly, rhetoric on social issues is a powerful tool to influence ordinary voters in Georgia, where the unemployment rate is high and a significant portion of the population lives below the poverty line.

So while the government accused the opposition of vote buying, the first step in Merabishvili's new social campaign was to promise each family a 1,000 lari (nearly \$600) voucher in 2013 that could be spent within four years. Other promises include higher pensions, cheap insurance, a four-billion lari investment in agricultural development, and resolution of employment problems—in other words, a program much like Ivanishvili's. Given that Merabishvili's new campaign is unlikely to yield tangible improvements in the economic situation in just a few months, the government wants to convey another message to the public: that Merabishvili, who comes from an ordinary provincial family (like Ivanishvili himself), is capable of understanding the troubles and challenges that regular Georgians face.

Despite all this, winning parliamentary elections will not be an easy task for the ruling party. According to a June NDI poll, the National Movement maintained a double-digit lead over Ivanishvili's Georgian Dream, but it lost 11 percentage points since late February, while the Georgian Dream gained eight. Even more, when asked which of the following people they would like to most see as Georgia's next president, 22 percent chose an unspecified ruling party candidate, while 20 percent chose an unspecified candidate endorsed by Ivanishvili (25 percent did not know and 17 percent refused to answer). Tellingly, Saakashvili was no longer the leader among politicians in terms of "favorability," which declined to 58 percent in June, from 70 percent in February (the mayor of Tbilisi Gigi Ugulava replaced him at the top, followed by Merabishvili at third).

While public attitudes toward both camps seem even, the only area in which the opposition has a slight lead over the ruling party is, ironically, in regards to relations with Russia. Twenty-five percent of voters actually think that the Ivanishvili-led

coalition is better positioned to tackle this issue, against the ruling party's 22 percent. At the same time, 33% of respondents think the ruling party can better lead Georgia's NATO integration (against 15% in favor of the Georgian Dream).



Source: *Public attitudes in Georgia*: Results of a June 2012 survey carried out for NDI by CRRC. Research funded by the Swedish International Development Cooperation Agency (SIDA).

In this situation, it is not entirely clear if Ugulava, who is the elected mayor of Tbilisi until 2014, can make use of his popularity to the benefit of the UNM or whether he will switch to a higher post after the election. In Saakashvili's absence, Ugulava's personal popularity could be an important factor for the UNM, given its lack of a substantial platform and the fact that Georgian political parties are largely built around personalities rather than constituencies.

As for Saakashvili, no one knows what his future role will be in the Georgian political system. As the new more parliamentary system of governance strengthens Georgia's democratic credentials and intends to bring balance to a government dominated by him, he will remain in position to decide how to shape a post-election Georgia. Certainly, handing over authority through elections would be the greatest testament to his democratic credentials.

Conclusion

Georgia's parliamentary elections are seen inside and outside the country as another democratic litmus test. To boost Georgia's successful transformation, its policymakers need to bring the country's style of governance closer to a more vibrant functional system of checks and balances in which more power resides with the parliament. All parties across the political spectrum also need to demonstrate how, by behaving like responsible actors, they can lead the country to free and fair elections and the first peaceful transfer of power since independence. As the results of this election can shape Georgia's trajectory for many years ahead, Georgian political elites may need to overcome their zero-sum approach to politics and learn to govern through a coalition.

In the end, it may be the undecided voters, squeezed by both government and the opposition, who will determine the fate of parliamentary elections. The party that can most compellingly guarantee the country's stability, sustainable development, and its irreversible integration in Western institutions may be the one that gets their votes. One should not forget how fear that Georgia could slip back into chaos and recognition of the government's role in building a functioning state deterred most Georgians from backing the opposition just a few years ago. The Georgian Dream still needs to work to convince voters (especially the undecided swing voters) that they represent a credible and responsible alternative.

Resolving Kazakhstan's Unlikely Succession Crisis

PONARS Eurasia Policy Memo No. 231

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Conventional logic would suggest that a president who has been in power since 1991, has just been awarded another four-year term by winning over 95 percent of the vote, and is not held accountable to any term limits would likely not be characterized as a “lame duck.” Yet that seems to be what is happening in Kazakhstan today. Although Nursultan Nazarbayev, the country’s first and only president since independence, has ruled Kazakhstan for over twenty years, remains vastly popular, and could potentially continue to rule the country for many years to come, the people of Kazakhstan have become almost obsessed with the question of who should inherit the mantle of power from him. As a result, an unlikely succession crisis is developing in Kazakhstan despite the fact there are no signs that a transition in leadership is imminent.

While speculation about succession has long been a favorite “parlor game” of Kazakhstani intellectuals with an interest in politics, it is only very recently that the concept of a post-Nazarbayev Kazakhstan has received substantial scrutiny from the general populace. The question of what will happen once Nazarbayev is gone has gradually migrated from the pages of opposition newspapers with small print runs to national media outlets under significant government control. At the same time, it has become a topic on which most citizens have an opinion and are willing to discuss with little prompting. In most cases, these opinions and discussions are fraught with uncertainty and anxiety, as the citizens of Kazakhstan wonder how a government that has relied on the power of a single individual to lead it since its very inception can manage political transition while maintaining stability.

In short, there is a public recognition in Kazakhstan of how unprepared the country is to choose a new president in the event they are forced to do so. The anxiety related to this recognition is beginning to undermine confidence in governance, while also encouraging political and economic elites to begin positioning themselves in anticipation of a transition in leadership. While the situation is not yet an open political crisis, it has the potential to develop into one, especially if Nazarbayev begins to lose his ability to manage intra-elite competition in the country, a skill that has been a hallmark of his rule in Kazakhstan for over twenty years.

Nazarbayev's System of Governance

This curious situation is perhaps a natural outcome of Nazarbayev's style of rule. On the one hand, he has created a system of governance that depends entirely upon his leadership and in which independent political power is virtually impossible. On the other hand, he has cultivated a broad-based economic elite, with significant capacity, financial resources, and political ambitions. As a result, there has long existed competition within the elite for power, but the president has carefully ensured that no single member of the elite (other than himself) can maintain greater power than others for very long. As long as Nazarbayev controls this system, it is quite effective in maintaining loyalty to him while cultivating a competitive and vibrant political economy. Without Nazarbayev, however, it presents an opportunity for intense elite competition with no institutions to regulate it or to mitigate conflict. Given that Nazarbayev is 72 years old and rumors are again circulating about his health, the people of Kazakhstan are beginning to wonder how this system can be maintained without its creator and master.

Although this system of rule is not entirely unique in post-Soviet Eurasia or elsewhere in the world, there are certain characteristics of Kazakhstan's political situation that make the country particularly prone to instability during a transition of leadership. First, unlike in many authoritarian countries, Kazakhstan's elite have substantial financial resources that are not dependent upon the internal economy of Kazakhstan. Many have significant offshore investments, and their companies are publicly traded in international financial markets. Thus, if a struggle for succession were to ensue, there are numerous players who could finance their own bid to take power. Second, Nazarbayev has been the country's only leader during its two decades of independence, longer than any other leader in the former Soviet Union except Islam Karimov of Uzbekistan. As a result, it is difficult for the people of Kazakhstan to imagine a different leader, and they are becoming less confident of the models for a succession process provided by other countries in similar situations.

Searching for Succession Models

For years, people in Kazakhstan looked to models of succession elsewhere in the former Soviet Union with similar power structures. Prior to 2005, for example, most Kazakhstanis were not concerned about succession issues and assumed that Nazarbayev would be followed either by a "hand-picked" protégé, known locally as the "Yeltsin model, or by a member of his own family, often referred to as the "Aliyev model" or the "dynasty model." The "color revolutions," however, created doubts about these models' replication, as what were viewed as incumbent-led plans for managed succession in Georgia, Ukraine, and Kyrgyzstan were undermined by discontented elites and the mobilization of populist movements.

If the experiences of the color revolutions instilled doubt among Kazakhstanis concerning the reliability of the "Yeltsin model" and the "Aliyev model," most in the country appeared to still believe, until very recently, that Nazarbayev would nonetheless hand over power in one of these two ways. That sentiment changed only in

the last two years as a series of events inside Kazakhstan cast doubt on both of these models of succession. In particular, these events suggested that Nazarbayev has little interest in picking a successor in the near future and most likely will seek to stay in power for life.

This sentiment began to emerge in the public consciousness already during the last months of 2010, as the parliament contemplated various ways to secure Nazarbayev's presidency for the foreseeable future. In the end, it was decided to put forth a constitutional amendment that would apply to Kazakhstan's "First President" only, keeping him in office until 2020. Although Nazarbayev publicly voiced opposition to this amendment, there is ample reason to question whether his public expressions were sincere. Regardless, in January 2011, the Constitutional Court rejected the referendum, perhaps in response to the international community's negative view of once again bypassing elections for Nazarbayev in favor of a referendum.* Subsequently, Kazakhstan held early presidential elections three months later, and Nazarbayev handily won an additional four-year term with over 95 percent of the vote.

Although the election reaffirmed Nazarbayev's power, the clumsy attempts at amending the constitution highlighted both how dependent the state had become on its first president and the fact that he had no intention of handpicking a successor any time soon. Indeed, Nazarbayev is vastly popular in the country, and he has played an important role in making Kazakhstan the most dynamic economy in the region. While his 95 percent-plus election victory benefited from various manipulations, most analysts believe he would easily win a free and fair election in the country today. Still, while a large majority of the population of Kazakhstan preferred Nazarbayev over any of his competitors in the 2011 election, many are concerned that he is remaining in power too long and risks leaving as his legacy a system that cannot be sustained without him.

If Nazarbayev does not manage his own transition in the ways done by Yeltsin or Aliyev, the people of Kazakhstan are likely to look toward other succession models in post-Soviet Eurasia, most of which are much less predictable. In Central Asia, for example, Kazakhstanis can consider the models for succession in Turkmenistan and Kyrgyzstan during the last decade.

When Saparmurat "Turkmenbashi" Niyazov unexpectedly died in Turkmenistan, the country's political elite presumably met behind closed doors to choose a worthy successor. While this process transpired quite smoothly, with the new president quietly pushing aside his few competitors by arresting them during his first months in power, Turkmenistan is significantly different from Kazakhstan. It is a much less populous country with little access to the outside world, and its small circle of political and economic elites are completely dependent upon the internal political economy of Turkmenistan. The elites thus had ample reason to come to a consensus on a new leader. In Kazakhstan, they do not necessarily have the same incentives to do so.

On the other end of the spectrum, Kyrgyzstan has experienced considerable turmoil over the last seven years, including two revolutions, the replacement of one

* In 1995, Kazakhstan held a referendum extending Nazarbayev's rule and bypassing competitive elections.

authoritarian and corrupt leader with another, and most recently the growing pains of establishing free and competitive elections as well as creating a balance of power in government. While this transition is more likely to create a sustainable solution to succession issues over the long term than the transfer of power witnessed in Turkmenistan, Kyrgyzstan has suffered from this experience economically and socially. In the context of Kazakhstan's generally stable and successful economy, it is unlikely that too many citizens would advocate such a tumultuous transition to democracy in the event of Nazarbayev's sudden passing.

Breaking the Post-Soviet Mold: A Different Solution to Succession

In many ways, the fact that Nazarbayev's succession is becoming a subject of public concern and debate at this time is an indication of a sophisticated populace, concerned about the future of the country. There is a recognition that Kazakhstan must plan for the inevitable and that when it is forced to choose a new president, it has no clear mechanisms to do so. The question is whether Kazakhstan's political elite are sophisticated and responsible enough to begin early preparations for succession. Do they understand that retaining Nazarbayev's system of authoritarianism will be a risky proposition both during the succession process and into the future, in the event that his successor is not as strong a statesman? Can they imagine a stable and democratic system of governance that sustainably handles leadership transitions, and do they have the capacity to begin laying the foundations for such a system? These are the most critical questions today as Kazakhstan looks toward the future.

Given Kazakhstan's natural and human resources, as well as its connections with the rest of the world, it can arguably transition to a form of democratic governance without the turmoil experienced in Kyrgyzstan. To do so, however, it must begin building institutions and cultivating experiences for its citizens that would facilitate such a transition in the future. At present, neither the government nor the population has any experience with free and fair elections or with a system of governance in which power is balanced across institutions and not concentrated in a single individual. Without such experience, it will be extremely difficult to successfully choose and appropriately hold accountable a new leader in the post-Nazarbayev period without the types of instability that have transpired in neighboring Kyrgyzstan.

Thus, if Kazakhstan's present leadership has the foresight to understand that a democratic system of governance is the country's best path to securing a smooth transition from the Nazarbayev era, it must also begin reforming its political system now. This includes supporting the development of multiple political parties, gradually opening up its media sector, and beginning to implement competitive elections for positions other than that of president.

These recommendations are not meant to suggest that Kazakhstan's government will immediately embrace U.S. and European democracy promoters. If it moves forward with political reform, Kazakhstan's government can be expected to formulate a democratic system of governance on its own terms and remain at the helm of this process. But if any form of Kazakhstani democracy is to manage the uncertainty of

leadership succession, it must include popular elections and the establishment of a sophisticated multiparty system that cultivates a market of ideas rather than a competition of personalities. Developing such a system takes time, but it also requires action.

For its part, the international community should encourage such a solution to Kazakhstan's evolving succession crisis. In doing so, however, it should frame the issue as one of stability rather than one of ideology or morality. This is both respectful of Kazakhstan's many successes as a state to date and more palatable to Kazakhstan's present leadership and population alike. Most of all, the international community should make it clear to Nazarbayev and his closest confidants that gradually but deliberately developing democracy in Kazakhstan now is likely to secure Nazarbayev's legacy as a visionary and great leader of the twenty-first century. At the same time, it should be made clear to the present leadership that failing to take this path runs the risk of Nazarbayev being remembered as the architect of a system that was meant to crumble in his wake.

Police Reform and Corruption in Georgia, Armenia, and Nagorno-Karabakh

PONARS Eurasia Policy Memo No. 232

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This memo seeks to explain the outcomes of anti-corruption policies in Georgia, Armenia, and the *de facto* republic of Nagorno-Karabakh. In particular, I ask how Georgia could rapidly implement successful police reforms, while Armenia completely failed to do so and Nagorno-Karabakh has partially achieved success.

Georgia is in the forefront of reforms not only in the South Caucasus but throughout the CIS, yielding major reductions in corruption throughout its state institutions and especially among the *siloviki* (power structures, like law enforcement and the courts). Armenia, on the other hand, has evinced a complete failure in its efforts to fight police corruption. Between them, Nagorno-Karabakh has seen some recent success in reducing corruption, particularly in the sphere of highway police reform.

What accounts for these differences? In Georgia, there is a clear separation of economic and political power. The Georgian government since the 2003 Rose Revolution has been fighting corruption because it doesn't depend on it. Corruption and bribery, while widespread, had not thoroughly permeated the upper levels of state institutions prior to the Rose Revolution. Subsequently, President Mikheil Saakashvili brought into power a young and enthusiastic cadre determined to modernize Georgia's political-economic system, including the stamping out of corruption. By contrast, Armenia's government is reliant on many forms of corruption; its economic and political elites are not separated, which creates major obstacles to reducing corruption. Finally, in Nagorno-Karabakh, economic and political elites are also not separate, but extreme threats to survival have created incentives to reduce corruption.

Georgia

Under Georgia's former president, Eduard Shevardnadze, a tight nexus existed between the police, state institutions, business, politics, and organized crime. When the USSR collapsed, Georgia had a population of approximately 5.5 million people. There were about 25,000 personnel in the MVD and 1,000 in the KGB—a ratio of one law

enforcement official per some 200 citizens. Georgia thus remained a heavily policed society. Despite reforms in other parts of the government, the MVD maintained a dysfunctional structure with 28 departments. Just before the Rose Revolution, additional security departments were created and MVD personnel more than doubled (56,000) while the population had decreased by nearly 1 million, creating a worse police-citizen ratio, less than 1:80. Given the low salaries of law enforcement personnel (\$40-50 per month on average), preventing police corruption was almost impossible.

How was it possible for Georgia to quickly transition from a state of crime bosses (in Soviet parlance, “thieves in law”) to a state of law-abiding citizens? Georgia’s political landscape changed substantially after the Rose Revolution of November 2003. Widespread dissatisfaction with the undemocratic and corrupt post-Soviet regime led to the 2004 election of Mikheil Saakashvili, whose government immediately targeted the corrupt police apparatus, which many Georgians saw as the epitome of a failed state. By the end of 2006, the Saakashvili administration abolished the KGB-style Ministry of Internal Affairs (MVD) and its related police units, dismissed every member of the country’s uniformed police, and created a new police force from scratch. By November 2009, it was clear that the reformers’ strategy was to capitalize on public support, think boldly, act quickly, and fix mistakes as they arose. All this produced significant progress.

Georgia’s reforms have been widespread and involved:

- Restructuring the police, dismissing corrupt officers, improving salaries and training.
- Reducing taxes and fees associated with business registration (a gateway for corruption).
- Privatizing major government assets (such as railways and mines).
- Encouraging foreign direct investment.

The main police academy has been one major focal point of reform. Before the Rose Revolution, the academy was widely believed to be one of the most corrupt structures in the MVD. Admissions and examination processes were completely devoid of integrity. Prospective students had to pay between \$4,000-6,000 to be admitted. Much of the money flowed to the top administrators and entrance examiners. The illicit sums paid were estimated to be approximately \$500,000 a year.

The result? A drastic improvement in Georgia’s ranking in corruption by Transparency International. The World Bank’s Freedom of Business ranking raised Georgia from 100 in 2006 to 12 in 2011, higher than Finland, Sweden, or Japan. Russia, in the same period, fell from 70 to 120. Still, monitoring organizations have also noticed lingering abuses of the legal system. For example, minor thefts and petty bribes have landed some with long prison sentences.

International Assistance

There are a number of international organizations and foreign embassies in Georgia that

are active in providing reform assistance to Georgian law enforcement agencies. Local recommendations are in line with efforts of international bodies such as the Organization for Security and Co-operation in Europe (OSCE)'s Police Assistance Program for the Georgian Police; the U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP); the United Nations Observer Mission in Georgia (UNOMIG) international civilian police contingent; the EU's Rule-of-Law Mission in Georgia (EUJUST Themis); the Police and Human Rights Program of the Council of Europe (COE); the International Organization for Migration (IOM); and the U.S., German, and French Embassies.

Cultural and Ethnic Stereotypes

It is difficult to overestimate the significance of Georgia's success for other post-Soviet states. There was once a general discourse on the alleged cultural idiosyncrasies of the South Caucasus, including, as Georgian scholar Giorgi Glonti pointed out, that they "automatically oppose the law, whatever form it takes." Saakashvili proved this wrong. National identities and political cultures are not set in stone. His boldness as a reformer did more than change the social order in Georgia. He broke the stereotype that corruption is "naturally" embedded in one's political and societal culture, in Georgia's case of an honor-and-shame society.

Armenia

Post-Soviet Armenia has seen military conflict, blockades, and the de-modernization of its economy. Armenia's economic crisis caused unprecedented labor migration, making the Armenian economy highly dependent on money transferred from abroad (particularly from Russia and the Armenian diaspora). In 2011, *Forbes* magazine depicted Armenia as "the second worst economy in the world after Madagascar."

The diaspora is a peculiar feature in the development of Armenia. Corruption has highly disappointed even devoted donors and led to serious friction between the Armenian leadership and the diaspora.

Armenia's police system is penetrated by corruption and nepotism, which is tolerated by the government because the security organs are helpful in its struggle with the state's political opposition. The heads of households and small and medium-sized enterprises consider the police and the general prosecutor's office as the most corrupt of state institutions.

Corrupt police officers are occasionally apprehended, as was the case with a woman who was selling driving licenses for 200,000 drams for several years. After an investigation, she was forced to pay the money back. A number of other scandalous corruption cases have been brought to court, and some bureaucrats with criminal connections have been sentenced to prison.

Nonetheless, the Armenian government is moving toward authoritarian consolidation, and the elite continue to prioritize the status quo of partial reforms over tangible political transition. Most reforms are illusory and of the "box-ticking" type. Corruption has become socially acceptable and institutionalized. In the context of

poverty (and, relatedly, the increasing influence of a patriarchal ideology), the state has shifted certain material responsibilities to the community. Ordinary people are expected to financially support the police. This expectation has turned into a certain kind of moral economy, by which individuals voluntarily pay bribes out of a sense of social solidarity and altruism. The failure to pay bribes is thus turned into a source of shame, and police officers readily employ normative rhetoric to extract payment.

Nagorno-Karabakh

The situation in Nagorno-Karabakh is somewhat different from Armenia, since it is constantly preparing for a new conflict with Azerbaijan. The *de facto* republic's president, Bako Sahakyan, closely followed Georgia's reforms upon his initial election in 2007. He implemented a reform of the local highway patrol in 2008 and generally reorganized the police force. An element within this program was increasing traffic fines, which have helped to cover the budget deficit and enabled local authorities to pay higher wages to judges and policemen (a judge's wage today is about \$800 and a police officer's wage is about \$400). Sahakyan's reforms have considerably reduced corruption in the police but not all drivers are satisfied. Their small road bribes were easier to pay than the new fines. According to a local taxi driver :

"Until three years ago, the police would actually ask you for a bribe. Now, they not only don't ask, but even if you beg them to accept a bribe, they refuse....It was better before, when you could solve any problem for 500-1,000 drams. These days, they write you a ticket for the smallest infraction. And the fine is never less than 3,000 drams. For the first drunk driving offense, the fine is 50,000 drams; for a second offense, they take away your license."

The paradox is that Nagorno-Karabakh is an impoverished dependency of Armenia and yet shows an eagerness for reforms. Why? The fear of war, general instability, and its unrecognized status have led to a desire among Karabakh Armenians to improve the image of Nagorno-Karabakh and to convince the West that it can be a viable state.

Conclusion

Soviet legacies linger in different ways. In Georgia, as political scientist Christoph Stefes has argued, there was a transition to decentralized corruption while in Armenia it remained centralized. Political life in Georgia was freer from economic pressure (allowing the emergence of an opposition) and it was oriented toward the West. In Armenia, where political and economic spheres are not separated, political pluralism is near impossible. This is not helped by the rather high degree of consensus between autocratic elites and some putative opposition leaders whose economic interest in monopolizing large domains of the national economy largely coincide with the interests of the state. Lastly, Armenia is blocked from international cooperation and investments by its unresolved conflict with Azerbaijan, so trade and development are stunted and

corruption proliferates. The ravaged *de facto* republic of Nagorno-Karabakh, surprisingly, has had more success fighting police corruption than Armenia; its precarious political situation has made anti-corruption measures strategically important.

Ukraine and the United States: Assessing their Relationship on the Eve of Elections

PONARS Eurasia Policy Memo No. 233

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With important elections looming on the horizon for both Ukraine and the United States, it is a convenient moment to assess U.S.-Ukrainian bilateral relations.

Between the two, elections in the United States are less important. It has long been up to Ukraine to take the necessary steps for a closer relationship with the United States. And despite drastic differences in outlook, President Barack Obama and Republican candidate Mitt Romney have not advocated substantially different approaches toward Ukraine. Romney has employed some tough rhetoric against Russia, which could have repercussions for Ukraine if he were to become the next U.S. president, but this remains to be seen.

What matters more is the course of Ukraine's own parliamentary elections, scheduled for October 28, 2012. The two dominant scenarios are that the ruling regime consolidates power, with the negative consequences many think this would entail, or that the loosely-integrated and ill-organized opposition has a breakthrough moment. Alternatively, the landscape could change little if neither side develops a decisive advantage. But how elections are conducted will also be important: Who will be allowed to participate? Will they be marked by massive fraud? Whatever happens, Ukraine's elections will have an effect on relations with a number of external partners, including the United States.

This observation, however, begs the question of how much Ukraine's leaders actually care about U.S. and Western pressure or incentives. They conduct themselves as if the imperative of political survival prevails over everything else, including what Washington says or does. Ukraine's leaders will thus probably stick to their current policies and continue to ignore criticism from abroad. Besides, they are aware that Washington has limited leverage on Ukraine; they calculate that the West will not be capable of establishing a tough line of action vis-à-vis Kyiv.

This does not mean that the United States should not pursue a tougher line. The leaders in Kyiv are in the middle of a difficult balancing game, as they face many problems in dealing not only with the West but Russia as well. They would prefer to

avoid being cast as pariahs by their U.S. and European counterparts. For them, what Washington and other Western capitals say or do about Ukraine is of ongoing concern. They also have trepidation about possible Western sanctions. In many ways, their personal lives and those of their families are deeply connected to the West.

A principled and forthright position from Washington is important to Ukrainians for various reasons, not least of which is that it would provide significant moral support for those in opposition and civil society. To some Ukrainians, it could become a rallying cry, a source of hope and inspiration. For millions of Ukrainians, it is vital to know that Ukraine has friends, that democracy can function, and that it still has a chance of becoming a part of the civilized world.

Paying Attention to Ukraine

Ukraine is clearly down the list of priorities for Washington right now. There have been times when bilateral relations looked rather promising — one might recall the mood after the Orange Revolution or the 2008 launch of the “strategic partnership” — but these now seem exceptions. The events of September 11, 2001, subsequent U.S. preoccupation with the broader Middle East, and the global financial crisis contributed to Ukraine being on the lower end of the U.S. global agenda. The failure of Ukrainians to seize the momentum created by the “Orange” opening also led to disillusionment among Ukraine’s Western partners, or so-called “Ukraine fatigue.” It is still often thought in Ukraine that the country lies in the midst of some kind of U.S. grand strategy, but it does not.

Does Ukraine merit more prudent action on the part of the United States? The United States has provided much assistance to Ukraine in past years, but that seems to have been of little help. Some might argue that Ukrainians do not want to follow U.S. advice and would rather be subdued by a stronger and more assertive Russia, which has always shown its intention to keep Ukraine on a short leash.

The truth, however, is that Ukraine is weak, fragile, and very much confused. This applies to both political elites and the public. Despite airs of self-sufficiency, Ukraine needs help from the outside, a push in the right direction, perhaps now more than ever. There are reasons to believe that if the West gave up on Ukraine, if it allowed Ukraine to slide toward ever more nondemocratic ways, this would constitute a terrible blow to U.S. interests in the broader region, of which Ukraine is a part.

The Tymoshenko Case

Of course, the United States and Europe have paid more attention to Ukraine in recent months due to the imprisonment of former prime minister Yulia Tymoshenko. For a time, it looked as if Tymoshenko was simply being subjected to political and legal “pressure” without the prospect of actual imprisonment. However, it soon became evident that the “Khodorkovsky scenario” was being enacted in full force.

This caused the United States to release some more severe statements about Ukraine. This has indicated some dynamism and that Washington has been slowly, perhaps reluctantly and unwillingly, moving toward some sort of activism. After all,

these last years have not been very active in terms of U.S. democracy promotion in Ukraine. The country's drift away from the rule of law toward soft authoritarianism never met with an adequate response from the White House or the administration's opponents. It took the "Tymoshenko case" to end this posturing and the turning of a "blind eye" toward events in Ukraine.

This has coincided with an awakening by an even slower moving giant, the European Union. Inaction in the face of the Tymoshenko case threatened to undermine the moral principles that both Europeans and Americans stand on in shaping their foreign policies. The turning point was the moment when Ukraine's partners realized that not only was Tymoshenko put on trial, but convicted with a long prison sentence.

What Is To Be Done?

First of all, it is critical that Brussels and Washington coordinate. This does not mean that Washington should delegate its policies to its European partners, but it is essential that the EU and the United States sing from the same song sheet. Their coordinated policies will not cost much, so the ongoing economic crisis should not be viewed as an obstacle. This is because the issue does not concern financial assistance but principles. It is about showing the Ukrainian public that the West cares and can tell right from wrong. The Ukrainian economy would certainly benefit from external financial support, but given the current leadership and economic conditions, providing such support would be like throwing money down a bottomless pit.

Western pressure should also not only been in defense of Tymoshenko, who has never really enjoyed much affection or trust in Washington. The focus on her case should be kept intact, but it should be broadened to embrace overall deficiencies in Ukrainian politics, economic policy, and law. It would certainly be proper to have Tymoshenko (and other cabinet members imprisoned with her) freed, but this will not be a fix for Ukraine's troubles.

Election campaigns in both Ukraine and the United States may spur Washington's foreign policy deliberations. Likely, U.S. expressions of disapproval with Ukraine will grow, perhaps with some threat of sanctions. Certainly, there is a need to go beyond recent statements and to actually place pressure on the Ukrainian government.

But this returns us to the question of Washington's toolkit. To what extent can the United States exert leverage on Ukraine's leaders? For one, language and statements matter: elevate the harsh tone and be less diplomatic. Also, the United States could introduce visa bans to all those involved in the "Tymoshenko case" and many other similar cases, as it has done for human rights violators in Russia. This is long overdue. It could even examine the U.S.-based bank accounts of the most controversial Ukrainian figures (again something it may do against Russian human rights violators). European governments could follow.

Is there a possibility that an increase in Western severity would push U.S.-Ukrainian relations toward the U.S.-Belarusan model? Could it counterproductively produce further isolation and bitter antagonism with the West? Any pressure or

sanctions contain an element of such risk. However, in many ways, Ukraine is fundamentally different from Belarus. And the alternative is to let Ukraine anyhow follow the Belarusian path, sinking deeper into an undemocratic abyss.

Russkii Mir and the Future of the Ukrainian Orthodox Church

PONARS Eurasia Policy Memo No. 234

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Most Ukrainian believers (about two-thirds) are Orthodox. Another Ukrainian church of Byzantine tradition adheres to Orthodox rite but recognizes the supremacy of the Pope: the Ukrainian Greek Catholic Church, which operated underground until *perestroika* and is concentrated in Western Ukraine (about one-tenth of believers). There is also a fast-growing number of Protestant and non-traditional religious communities throughout the country.

Although Ukrainian Orthodoxy faces strong competition, its main challenge is its own internal divide. Part of Ukrainian Orthodoxy supports the creation of a united Ukrainian autocephalous (fully self-governing) church. At the same time, the major part of Ukrainian Orthodoxy is an autonomous part of the Russian Orthodox Church. Both the Russian government and Orthodox Church are trying to limit Ukrainian Orthodoxy's autonomy and use it as an instrument to involve Ukraine in the so-called *Russkii mir* (Russian World), a concept that both the Kremlin and the Moscow Patriarchate support.

Split Orthodoxy

The Orthodox Church of Kyiv and All Rus was part of the canonical territory of the Constantinople Patriarchate from 988 until 1686, when the Ottomans, in coordination with Moscow, pressured the Patriarch of Constantinople to transfer it from the latter's jurisdiction to the Patriarchy of Moscow (established only a century before).

In 1990, the Ukrainian Exarchate of the Russian Orthodox Church (the ROC) gained a certain level of autonomy and the Ukrainian Orthodox Church (UOC) was created. Despite its proper name, the UOC is subordinate to the Moscow Patriarchate (MP) and therefore abbreviated in this memo as UOC-MP. The UOC-MP has the right to form its own synod and appoint bishops without formal approval of the Moscow Patriarch. The latter, according to the UOC-MP charter, only "blesses" the result of

elections for the Metropolitan of Kyiv, the first hierarchy of the UOC-MP.

After Ukraine became independent, the UOC-MP split and the Ukrainian Orthodox Church–Kyiv Patriarchate (UOC-KP) emerged, headed by Patriarch Philaret, a former exarch of the UOC-MP. The UOC-KP was joined by part of the Ukrainian Autocephalous Orthodox Church (UAOC)*, which supports the idea of a united Ukrainian Orthodox Church independent from Moscow. The UOC-KP is not recognized by other canonical Orthodox Churches nor by the UOC-MP, which is still the largest church in Ukraine with 12,430 communities (the UOC-KP has 4,482, the UAOC has 1,208, and the Greek Catholic Church has 3,700). If the UOC-MP were to secede from the ROC and unite with the UOC-KP, the total number of ROC communities worldwide would decrease by a third.

Polls show most Orthodox believers in Ukraine identify themselves with the Kyiv Patriarchate, despite its smaller number of communities. According to a poll by the Ukrainian Democratic Circle Center in February 2009, 39 percent of respondents said that a united Orthodox Church in Ukraine should be formed on the basis of the UOC-KP, while 24 percent supported forming it on the basis of the Moscow Patriarchate. In Kyiv, Ukraine's capital, the number of supporters of the Kyiv Patriarchate is especially high. According to a March 2011 poll by the Ukrainian Democratic Circle, 49.8 percent of Kyiv respondents associated themselves with the UOC-KP and only 16 percent with the UOC-MP.

The UOC-KP, the UAOC, and the Greek Catholic Church are all in favor of an autocephalous Ukrainian Patriarchate. These churches have also publicly called for the respect of human dignity, non-interference in the electoral process, and the elimination of voter bribery. Their believers are more likely to vote for democratic or national-democratic candidates. The position of the UOC-MP is more complicated.

The UOC-MP and the “Russian World”

While Russian leader Vladimir Putin has described the dissolution of the USSR as the greatest geopolitical tragedy of the twentieth century, Patriarch Kirill (Gundyayev), head of the Russian church since 2009, has equated it with the downfall of “historical Russia.”

One of the main directions of his policy is to build up the so-called “Russian World” (*Russkii mir*). According to Kirill, “Ukraine, Russia, Belarus—it is all Holy Rus!” Moreover, “the space of pastoral responsibility of the Russian Church includes not only individual countries of historical Rus, but also communities of people who associate their identity with Russian civilizational tradition but who live outside its canonical territory and outside the canonical territory of other local churches.” In February 2012, in the presence of Vladimir Putin, Metropolitan of Volokolamsk Hilarion (Alfeyev), head of the Department of External Church Relations of the Moscow Patriarchy, emphasized:

* The UAOC existed in Ukraine since 1920 but was suppressed in the 1930s and reemerged only at the end of the 1980s.

“Today one of the main tasks of our Church is what the Patriarch calls ‘the gathering of the Holy Rus’.”

To strengthen the geopolitical and spiritual unity of the “Russian World,” Patriarch Kirill made an unprecedented number of visits to Ukraine—ten times during three and a half years in office. The first one in the summer of 2009 lasted for ten days. For the first time in the ROC’s history, its Holy Synod had a session in Kyiv’s Pechersk Lavra.* Metropolitan Agathangel of Odessa, leader of a pro-Moscow wing in the UOC-MP synod, stressed that Kirill “is not coming here as a guest, but as a master, as the head of the entire Russian Orthodox Church.” In early 2012, during Putin’s electoral campaign, Metropolitan Agathangel emphasized:

“Only with Vladimir Vladimirovich Putin do Russian people who found themselves, through no fault of their own, outside the Russian state and abandoned by ‘democrats’—as well as all people of good will who live within the CIS and recognize that our power and even our survival rests in unity alone—[only with Putin] do they place their hopes for the restoration of historical justice, for a new integration based on the millennial God-given unity of Holy Rus.”†

The ROC actively supports the Russian government’s integrationist plans. A 2010 Patriarchal Council “Economics and Ethics” pointed out that, “the Common Economic Space needs international integrative ideology and new applied business ethics, based on the values of Orthodox civilization.” President Yanukovych, Prime Minister Mykola Azarov, other representatives of the Ukrainian government, and several members of the National Academy of Sciences are all members of the Patriarchal Council.

A serious destabilizing factor in Ukrainian politics today is the activity of so-called “Orthodox NGOs,” which are directly and indirectly supervised by the Moscow Patriarchy. These organizations, such as the Union of Orthodox Citizens of Ukraine “United Fatherland,” the Union of Orthodox Brotherhoods of Ukraine, the Orthodox Brotherhood of St. Alexander Nevsky, and the All-Ukrainian Association “Orthodox Choice” actively agitate against “Western influence” and Ukraine’s European integration. They perceive Ukraine’s independence to be an historical deviation. During the 2004 presidential election, some of these organizations helped UOC-MP parish councils adopt resolutions in support of Yanukovych, who worked hard to establish his image as a sincere believer and a true adherent of “canonical Orthodoxy” (in contrast to Viktor Yushchenko, who was described as “schismatic” for supporting the creation of a united autocephalous Ukrainian Orthodox Church).

Attempts to Limit the Autonomy of the UOC-MP

A second wing of the UOC-MP is autocephalist. In 2005, Archbishop (later

* Lavras are the most respected Orthodox monasteries; three out of five ROC lavras are in Ukraine.

† <http://www.regnum.ru/news/1493429.html#ixzz23iuoe7oo>

Metropolitan) Sophronius of Cherkasy appealed for the Patriarchates of Moscow and Constantinople to recognize the UOC-MP's canonical autocephaly. Sophronius also happens to be an outspoken critic of the historical politically-motivated anathema the ROC placed on seventeenth-century Ukrainian hetman Ivan Mazepa. Not as outspoken as Sophronius but also a supporter of UOC-MP autocephaly is Archbishop Alexander (Drabinko) of Pereyaslav-Khmelnytsky, secretary to Metropolitan Volodymyr of Kyiv, the Primate of the UOC-MP.

Some recent changes in world Orthodoxy could potentially become a precedent for Ukraine. In 1996, part of Estonian Orthodoxy returned to the jurisdiction of the Ecumenical Patriarchate of Constantinople (as it was in 1923-1940). The Ecumenical Patriarchate has also accepted jurisdiction over the "Ukrainian Orthodox Church of Canada" (in 1990) and the "Ukrainian Orthodox Church of the USA" (1995). In 2008, it accepted jurisdiction over the entire territory of China (which the ROC considers its canonical territory). In September 2011, the meeting of the Patriarchs of the four oldest Orthodox Churches (Constantinople, Jerusalem, Alexandria, and Antioch) and the Primate of the Autocephalous Church of Cyprus was held in Constantinople. Although the Moscow Patriarchy ranks fifth in the Orthodox diptych ("list of honor"), its representatives were not invited to Constantinople. The final statement of this meeting called for strict adherence to recognized canonical boundaries (and the Constantinople Patriarchy has stated several times before that the transfer of Ukraine to the jurisdiction of the Moscow Patriarchy was not done in canonical fashion).

The authority of 77-year-old Metropolitan Volodymyr is strong enough, for now, to unite the different wings of the UOC-MP. He has also been trying to restrain the influence of the Church's pro-Russian wing. Examples of this are:

- A December 2007 meeting of Metropolitan Volodymyr and Bishop Alexander (UOC-MP) with Archbishop Demetrios and Archimandrite Evstratius (UOC-KP). This was the first publicly known sign of dialogue between the UOC-MP and the UOC-KP.
- The condemnation by Volodymyr and the UOC-MP Council of Bishops in December 2007 of organizations that represent so-called "political Orthodoxy."
- The UOC-MP synod's January 2008 assessment of the Great Famine (1932-1933) as a genocide of the Ukrainian people. Volodymyr described this event (the *Holodomor*) as an attempt "to destroy the very soul of the people, bring them to full spiritual slavery." (Meanwhile, a representative of the pro-Moscow wing, Metropolitan Onufriy of Chernivtsy, considered that "the *Holodomor* was suppression, on the part of the Lord, of our pride, which rebelled against the life of man....We got what we deserved.")
- The promotion of Archbishop Sophronius, an outspoken supporter of UOC-MP autocephaly, to the rank of metropolitan in 2008.
- Volodymyr's failure to ever mention the concept of the "Russian world."

At the same time, Volodymyr has stressed that there is no reason to change the current status of the UOC-MP, as, to his mind, it already has the same scope of rights as Orthodoxy's other fifteen canonical autocephalous Churches.

In 2008, Ukrainians celebrated the "Day of Baptism" (of Kyivan Rus by Prince Vladimir), which became an official holiday on July 28 according to a 2008 presidential decree by Viktor Yushchenko. Each side tries to use this celebration for its own purposes in the struggle for influence in Ukraine. During his visit to Kyiv in July 2008, the Ecumenical Patriarch of Constantinople, Bartholomew, openly stated that for seven centuries Ukrainian Orthodoxy belonged to the canonical territory of Constantinople. Meanwhile, Russian Patriarch Kirill annually uses this holiday to head religious celebrations in Kyiv to support the idea of unity with Moscow, while parallel counter-celebrations are held by Patriarch Philaret of the UOC-KP in support of autocephaly.

In contrast to all his predecessors, President Yanukovych expresses a clear preference for the UOC-MP. In February 2010, Yanukovych accepted the blessing of Russian Patriarch Kirill in Kyiv even prior to his inauguration at the Ukrainian parliament. Representatives of the UOC-KP were not invited to many of the official events. Local authorities in some regions provided financing from local budgets to build new UOC-MP churches, and they exerted pressure on UOC-KP religious communities to move to the jurisdiction of the UOC-MP.

In early 2012, representatives of the so-called "Odessa and Donetsk groups" in the Holy Synod of the UOC-MP attempted to remove Metropolitan Volodymyr. Taking advantage of his illness and a hospital stay, the Holy Synod was held twice in January and February under the chairmanship of Metropolitan Agathangel, who assumed for himself the non-existent title of "Topmost" (*первенствующий*) Member of the Holy Synod" and took for himself the seal of the head of the UOC-MP. He convened the Synod despite a letter from Volodymyr stating that "the convocation of the Holy Synod, according to the charter on management of the Ukrainian Orthodox Church, is the sole responsibility of the head of the UOC."

Moreover, some bishops planned to propose to establish a medical commission that would hold an examination of Volodymyr and determine his ability to continue serving as Metropolitan. This did not happen, but Archbishop Alexander (Drabinko) was removed from his position as permanent member of the Holy Synod, head of the Department of External Church Relations, and editor-in-chief of the official church website (although he remained Volodymyr's secretary). Also, a commission on changes to the charter of the UOC-MP was created. In the media, these events were called "the raid and seizure of the UOC."

Subsequently, however, again under Volodymyr's direct leadership, the Holy Synod in May and July 2012 suspended most of the above-mentioned resolutions, issued a new seal, and openly reprimanded one of the participants of the "coup," Archbishop Ionaphan. Volodymyr pointed out that the commission on changes to the charter "has no right to change the current charter; moreover, it is not authorized to modify the canonical status of the Ukrainian Orthodox Church." He also expressed doubts about the suitability of Metropolitan Hilarion of Donetsk "as head of the aforementioned

commission, taking into consideration his vision of the future way of church life in Ukraine, as it almost eliminates the current canonical status of our Church.” According to Volodymyr, 32 of 34 UOC-MP bishops had a negative attitude toward even the existence of such a commission.

Volodymyr’s close associate Archbishop Antonyy was appointed “Chartered Secretary” (*управляющий делами*) of the UOC-MP and received the right to supervise bodies created by the Holy Synod, including the commission on changes to the charter.

Conclusion

It is disturbing that under President Yanukovych the Ukrainian government outwardly exhibits a preference for the UOC-MP. Ukrainian experts and civil society members generally agree that:

- No preferences should be given to any church.
- The question of unifying the divided Orthodox churches is not the state’s responsibility; the state can only support dialogue between churches.
- It is not acceptable that Ukraine’s state television excessively broadcasts the visits and statements of the Moscow Patriarch.
- Religious activities should be covered in the media without politicization.
- The role of the All-Ukrainian Council of Churches and Religious Organizations should be increased, and draft laws regarding church issues should be passed to parliament after consultation with this Council.
- Parliament should refrain from adopting legislation that will allow preference to be granted to certain religious organizations (for example, a legislative proposal calling for the full transfer of the famous Pochayiv Lavra, partially owned by the state, to the UOC-MP).
- The role of world Orthodox autocephalies, first of all the Ecumenical Patriarch of Constantinople, in mediating ecumenical dialogues in Ukraine should be increased.

After two years in power, President Yanukovych seems to have finally understood the danger of subordination to Moscow, including spiritually. Observers were intrigued as to whether there would be a meeting between Yanukovych and Russia’s Patriarch Kirill during the latter’s visit to Ukraine in July 2012 to celebrate the Day of Baptism. They met, but only after the official conclusion of the Patriarch’s three-day visit—short compared to previous trips. As Kirill’s visit coincided with the twentieth anniversary of Volodymyr’s Primacy as UOC-MP Metropolitan, he felt the diplomatic need to recognize “the right choice made by Ukraine 20 years ago.” On the eve of Kirill’s visit, Volodymyr appeared to have rebuffed attempts to limit UOC-MP autonomy. But given his age, the struggle will continue.

The EU Transformed

WHY SHOULD RUSSIA CARE?

PONARS Eurasia Policy Memo No. 235

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Recent developments within the European Union affect not only its internal construction but also its relations with its Eastern European neighbors, including Russia. This memo discusses the ramifications of the Eurozone crisis for the EU's future and for its neighborhood policy, new trends in German *Ostpolitik*, and the repercussions of both these developments on post-Soviet states. The memo argues that the EU is becoming a more fragmented and less normative (value-ridden) political entity and might weaken its trans-Atlantic commitments.

Under these conditions, Russia can be expected to try and consolidate its sphere of influence, in particular to tighten its grip on Ukraine. However, such an approach threatens to foster Russia's alienation from Europe and, in the end, may prove fruitless. Instead, Russia should more actively engage in trilateral relations with Germany and Poland, the two EU states perhaps most interested in developing new formats of communication with Moscow. A new start in Russia-EU relations should also include professional and open discussions on a number of pressing issues, including conflict resolution, the compatibility of the Eurasian Union project with a possible EU-Russia visa-free regime, and a new form of dialogue between civil societies.

Political Effects of the Eurozone's Financial Troubles

Europe's future has been the subject of increasingly politicized debate. This debate has increased the range of possible alternatives and future scenarios for EU member states and their neighbors. The EU has been forced to confront the limitations of a purely technocratic approach to financial and economic policy and now looks for new political openings and options. The main components of the EU's international identity—multilateralism and a preference for supra-national institutions over balances of power and spheres of influences—have come under question. The ability of the EU to play its cherished role of normative power is less certain than ever before.

Under these conditions, the model of a "Europe of Olympic circles" may very well shape the continent's future. This would mean less power for Brussels and more

room for regional groupings. Two “circles,” Germany and France, are likely to retain major roles. Yet other regional, “circles” also exist, for example the Visegrad Four (V4) comprising Poland, Hungary, the Czech Republic, and Slovakia. The V4 are active in Eastern Europe and in the western Balkans promoting the European experience of integration in post-socialist regions seeking closer association with the EU. In the meantime, the V4 want their own regional voice to be heard more distinctly. They seem to favor “a Europe of different speeds” and view themselves as a meaningful element in a constellation of “regional geometries” that include Nordic Europe, the Baltic Sea region, the Black Sea region, and the Danube cooperation project, among others. These regional clusters may eventually play substantial roles within the EU and in the EU’s relations with its neighbors. The key political question is whether the V4 will stay on Germany’s side and pursue “more Europe” (deeper integration), as Poland seems to desire, or seek to balance both German and French dominance.

Crisis and Leadership: Trialogue and *Ostpolitik*

Many observers view potential German hegemony in the EU to be one effect of the Eurozone crisis. It is not that Germany consciously and purposely strives to occupy a dominant position in the EU. Rather, a complex configuration of economic and political circumstances requires a stronger role for Berlin.

The precise nature of this role, however, remains wide open. Germany can play the role of a “normalized power,” deeply embedded in European institutions. Or it can strengthen its leadership through unilateral policies toward undemocratic but economically important countries (like Russia, China, Kazakhstan, and Azerbaijan), thus turning into a “mercantilist state” that reduces its foreign policy strategy to the accrual of economic gains. Germany might also be a sponsor of weaker EU members or conduct an austerity policy that eventually pushes the weakest economies out of the EU. Germany could be a loyal member of the transatlantic security community, or a more autonomous and self-minded security partner for the United States and NATO.

Whatever role Germany assumes in the EU, one question concerns the basis of its putative leadership: will Germany represent a specific group of countries, or Europe as a whole?

One interesting development in this regard has been the so-called German-Polish-Russian Trialogue. So far, this political triangle has achieved just one political success: in 2010 Germany helped mediate (and lobby in Brussels for) a Russian-Polish agreement on a visa-free regime for residents of the Kaliningrad district and two neighboring Polish regions. This was a small breakthrough in the broader visa facilitation process, but all three states appear to have high expectations for the Trialogue. In this, Germany has undeniably taken the lead, even to the point of declaring the Trialogue to be a key German foreign policy priority.

There are many reasons for this. First, the EU generally lacks policy initiatives toward Russia (as toward the whole post-Soviet region). Where no opportunity exists for a policy of cooperation based on shared norms, the EU prefers a technocratic approach while many of its neighbors demand a more political attitude. While the EU

hesitates, Germany is ready to talk to Russia on matters of mutual concern but prefers to have Poland on its side. The Germans deem that this “Trialogue” provides greater stability both within the EU and on its borders. The Trialogue also, to some extent, blurs the line between insiders and outsiders, opening up another track for Russia’s inclusion into wider Europe.

Second, Poland used to complain that Russia and Germany speak “about us, but without us.” Now, the Germans are encouraging the Poles to play the role of interlocutor with Russia. This can also be beneficial for the Eastern Partnership, since it could eventually lead Russia to drop its concerns about this Polish-driven initiative for Russia’s “near abroad.”

Third, the Trialogue is a potential model for other “win-win-win” scenarios that could gradually eliminate the obsolete mentality of zero-sum games in the region. It is not only Poland that can secure gains from Germany’s growing role in Europe. Russia can too.

Fourth, while Germany is fully aware of the dangers of unilateralism and heavily invests resources in multilateral diplomacy, German multilateralism is limited. German diplomats are rather skeptical of “grandiose formats” like the G20, which are not always that effective. One might consider that pragmatic Germans are wishing to take a step away from global institutions and back toward regional ones. Many German experts appear to agree with the concept of two immediate neighborhoods—eastern and southern—informally patronized by Berlin and Paris, respectively.

Berlin and Moscow are eager to play their own games in a wider Europe. Both try to fence off politically flammable issues and focus on technicalities. Now, Germany is enticing Poland, which like many of its neighbors has always tended to prioritize political issues, to join the alliance of pragmatists. Other EU states may not approve, but what recourse is there if the West-East agenda in Europe is defined by Germany, Poland, and Russia. One day the Trialogue could bear more importance for Europe than the mostly ceremonial EU-Russia summits of today.

Challenges

On all accounts, leadership means costs for Germany. Berlin appears ready to assume them. However, the Trialogue faces a number of serious problems.

First, hiding behind this “triple win” project is the tacit acceptance of a value-free foreign policy based mainly on material gains. Germany explicitly displays interest in cooperating, for example, with the Russian Railways to more effectively reach the Chinese market.

Second, the anticipated spillover effect of triangular cooperation is not guaranteed. It is hard to understand how the positive outcomes of the Berlin-Warsaw-Moscow rapprochement can be projected eastwards and produce results in the South Caucasus or Central Asia.

Third, Ukraine still remains a problem for both Russia and the EU. On the one hand, Kyiv considers Europeanization to be a unifying idea for Ukraine and Germany to be a potential lobbyist in Brussels. On the other hand, Ukrainians fear that Germany and

Russia will continue to strike deals at their expense (the Nord Stream pipeline being a case in point). Ukraine sharply criticizes the EU for rejecting Ukraine's European outlook, accusing the EU of adhering to a "Russia first" policy and failing to accept Ukraine as a full-fledged European state. German experts and politicians respond that Ukraine has only itself to blame for failing to meet Europe's expectations. German politicians hold that the Ukrainian government missed an opportunity to build a European polity and has seriously spoiled its image through the politically motivated prosecution of former prime minister Yulia Tymoshenko. Ultimately, German Chancellor Angela Merkel equates Ukraine with Belarus—lumping them together as two EU neighbors with undemocratic and repressive regimes.

Russia: Pragmatism without Influence?

The effects of this situation on Russia are multiple and complex. With the EU no longer an example of an integration success story in the eyes of Moscow, the latter will continue to prefer making bilateral agreements with individual capitals than to work with Brussels. At the same time, the deepening of the Eurozone crisis may hurt Russian economic interests in the EU.

Under Vladimir Putin's new presidency, Russia is eager to pursue a non-normative foreign policy based on purely economic considerations. Yet such a policy is unlikely to increase Russian influence in the EU-Russia neighborhood. In particular, Moscow's relations with Kyiv are increasingly uneasy. President Viktor Yanukovych does not play by Russia's rules and continues to welcome the participation of major Western companies in Ukraine's energy sector. He resents the Kremlin for failing to acknowledge his contribution to Russia's defense policy (by allowing the Black Sea fleet to stay in Crimea and by crushing Ukraine's NATO membership aspirations). He feels played by Moscow, which informally promised to update the 2009 gas agreements but did not do so.

Similarly, there is very little that Russia can do with Kazakhstan, which keeps opportunities available to Western companies in its energy sector. Russia is also unable to prevent Moldova from steadily moving closer to Europe. Even Transdnistria looks for greater economic independence, not only from Chisinau but Russia as well.

At the same time, Germany, the EU's largest economy, is not going to lose interest in Eurasia, and so Russia will have to keep (re)adjusting its neighborhood policies to Berlin's *Ostpolitik*. A search for common approaches will not be easy. Some observers characterize German-Russian relations as a "Cold Peace." Germany is ready to take Russian interests into account but will not recognize either a Russian monopoly or veto power in the post-Soviet space.

All this suggests that neither Russia's military presence nor economic preponderance can easily translate into political instruments of soft power. The improvement in Russian-Polish relations made clear that it is possible for Moscow to get Central European countries to be its partners. But to obtain true partnerships across the region, Russia will need to do away with a simplistic approach to its Western neighbors and base policy on a more complicated and multidimensional picture of a wider Europe

that defies artificial divisions between “old” and “new,” or “false” and “true,” Europeans. It will have to view Eastern and Central Europe as a conglomerate of transnational identities and spaces that defy top-down policy and are sympathetic to a long-discussed model of a “Europe of regions,” in which Russia’s place and role are far from certain. In particular, the Kremlin’s threats to deploy Iskander missiles in Russia’s Kaliningrad district between Poland and Lithuania reveal a degree of Russian insensitivity to the spirit of regional cooperation across the Baltics and northern Europe.

Conclusion

The concept of Europe is a matter of political contestation. Within the EU, advocates of individual financial responsibility and a more pragmatic approach to neighbors have come to contest the dominant normative approach which argues for intra-European solidarity and a common value-based external policy. Moscow appears ready to strike deals with these European pragmatists, while adhering to the notion that Russia is a “natural” part of Europe historically and geographically and requires no internal “Europeanization.”

Russia will probably keep explaining away difficulties in its European policy, citing the ineffectiveness of Brussels’ bureaucratic mechanisms, as compared to more traditional state-to-state diplomacy. Yet this argument is of limited utility: Russian relations with many individual EU states (Great Britain, Denmark, Estonia, Romania, and the Czech Republic) are clouded by political tensions. In the meantime, Russia lacks a clear policy on the Greek crisis, despite its supposedly close relations with Greece, and has no real policy in the western Balkans (including little assessment of the potential impact of Croatian and Serbian EU membership on Russian interests).

Within the EU, only Germany and Poland have developed active Eastern policies. Yet Russian diplomacy may overrate Germany’s inclination to strike bilateral deals with Moscow. German *Ostpolitik* includes both goodwill gestures toward Russia and attempts to integrate Eastern European states. By showing its reverence for the Trialogue and accepting de facto a special role for Poland in the EU’s Eastern policy, Russia has displayed some interest in utilizing new openings to participate in pan-European affairs. In the long run, this policy will bring more benefits to Russia than will ineffective attempts to compromise its claims to a European identity by reorienting its international priorities away from the EU.

Will Europe Walk Away from Ukraine?

PONARS Eurasia Policy Memo No. 236

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Since the election of Viktor Yanukovych as Ukraine's president in February 2010, the country has been drifting away from the democratic advances it had earlier achieved. The jailing of former prime minister Yulia Tymoshenko in August 2011 can be seen as the culmination of this regression, although it has not been its only outcome — there have been negative trends in freedom of the media and assembly, the independence of the judiciary, and economic management.

The European Union's reaction to Ukraine's slide is of critical importance as Ukrainian authorities have officially declared European integration to be their strategic objective. Significantly, the EU has diagnosed Kyiv's negative trends accurately and unanimously (unlike with Russia a decade before). As European Commission President Jose Manuel Barroso and EU High Representative on External Policy Catherine Ashton stated in a July 2012 interview, the EU does not view events in Ukraine as isolated incidents but as part of a systemic development.

The EU, like the United States, has clearly signaled its discontent with the deterioration of democratic norms in Ukraine. Both the EU-Ukraine Association Agreement and the Deep and Comprehensive Free Trade Agreement, scheduled to be signed in December 2011, have stalled. The EU has indicated that their enactment is impossible unless the situation changes, as such formally upgraded EU-Ukraine relations need to be based on common values.

Contacts with President Yanukovych have been frozen. In May 2012, Kyiv had to cancel a summit of the Central European Initiative it was chairing this year, since regional leaders decided not to attend. Top European politicians boycotted the 2012 European football (soccer) championship, with the exception of the Polish president, whose country co-hosted the tournament. Over the summer, British authorities reportedly refused to meet Ukraine's president during the London Olympics, and Ukraine's delegation was headed by Prime Minister Mykola Azarov. The Ukrainian parliamentary elections in late October 2012 will be a key benchmark in international assessments of Ukraine's course. The EU will seek Ukraine's compliance with high standards of electoral freedom and fairness.

Although the European diplomatic position is firm, it is also true that it hides the absence of an action plan toward Ukraine. Expressions of expectations are usually accompanied by statements such as “the ball is in Ukraine’s court” or “the key to improvement of relations is in Kyiv not Brussels.” These statements ring true but hardly hint to what the EU plans to do if Kyiv continues to turn a deaf ear. It may already be too late for the EU to release an action plan if the October elections are mismanaged, since it has been unable to indicate beforehand what the consequences of non-compliance with the criteria might be.

Essentially, the EU faces a choice: active promotion of European standards or gradual disengagement with Ukraine. Abandoning Ukraine is not a preferred option. Much has been invested in the country’s democratic future—especially after the Orange Revolution. Disengagement will be interpreted as the West’s acceptance of its own failures and have strategic implications for the state of democracy in the whole post-Soviet space. Nonetheless, the apparent lack of progress creates a “pause,” a type of disengagement by default.

Reconstructing the Rationale in Yanukovych’s Gamble

When Yanukovych came to power, he demonstrated an interest in conducting a balanced external policy and improving Ukraine’s relations with the EU. His first foreign visit was to Brussels rather than to Moscow (as was largely expected at the time). According to some sources, he instructed diplomats to speed up negotiations on the EU-Ukraine Association Agreement. Initially, Yanukovych’s team was able to convince Europe that Ukraine’s reestablished political “stability” would help Ukraine’s European integration. But, when the regime’s consolidation and concentration of power in the president’s hands became evident, compatibility with the EU became problematic. Kyiv has since seemed ready to sacrifice the latter for the former.

A hunger for power and emotionally-driven policy (like Tymoshenko’s jailing) may well play a role in what has happened in Ukraine. However, certain rational considerations are also evident, even in Tymoshenko’s persecution. Leaving aside domestic considerations, some observers suggest her arrest was a calculated move against Russia. Often overlooked, it was an important volley in Yanukovych’s duel with Moscow. Contrary to how Western media like to dub him, Ukraine’s current president has never been a “Russian stooge.” In 2010, he won elections without Moscow’s support. He had his internal supporters to thank for victory, not the Kremlin.

The chronic conflict between Russia and Ukraine about the Ukrainian gas pipeline system was not resolved to Moscow’s liking after Yanukovych came to power. His refusal to bring the country into the Russia-led Customs Union with Belarus and Kazakhstan also irritated Moscow. It is quite plausible that in 2015 when the next Ukrainian presidential elections take place, the Kremlin will throw its weight behind another candidate. Public contacts in July 2012 between Russian President Vladimir Putin and Viktor Medvedchuk, former head of Leonid Kuchma’s presidential staff who is now returning to politics, is one indicator of such a possibility (they met in Medvedchuk’s house in Crimea).

It was very important for Yanukovych to demonstrate to Moscow that it is no longer the kingmaker in Ukraine, and that it will not always be able to defend its favored elites in case they come into conflict with Yanukovych. The case of Tymoshenko, who was convicted for literally signing a gas agreement with Moscow, perfectly suited this task. Although Moscow voiced some initial discontent over the fate of its once acceptable partner, it later decided not to stand up in Tymoshenko's defense.

As for relations with the EU, Yanukovych and his advisors—like many other post-Soviet politicians—simply do not believe that Europe can conduct a value-based policy. On the one hand, the example of several of Ukraine's neighbors shows that so-called "pragmatic" interests (including open economic lobbying) often prevail over professed norms. On the other hand, since independence, many in Ukraine have learned to view their country as a critical geopolitical balancer of Russia and believe that, for the West, Ukraine's independence will always matter more than its democracy. Following this logic, Yanukovych may very well assume that Europe will accept him as a partner whatever he may do at home.

You Cannot Lose What You Never Had

The EU's capability to go beyond verbal diplomacy in Ukraine looks rather limited. Starting with "carrots," the problem is that the EU has already made Ukraine the greatest offer it could in the form of the free trade area and political association agreements. These offers fall short of what Ukraine's pro-European constituency was expecting, however, which was an actual membership prospect. This limits their ability to serve as a basis for conditionality.

Regarding economic assistance, raising funds for Ukraine would not be popular in today's cash-strapped Europe. Any offers would also have to beat those of China, which is becoming more and more active in the region and lends money without political conditions. For example, China has recently agreed to lend \$7 billion to Ukraine in addition to a currency swap of \$2.4 billion, comparable to all loans Ukraine received from international financial institutions from 2008 to 2010.

As for "sticks," pressure is not Europe's strong point. It suffices to see the difficulties the EU faces in sanctioning Belarus' Aleksandr Lukashenko, who is undoubtedly more authoritarian than Yanukovych.

When looking at the broader context, the whole eastern periphery is a lesser priority for the EU these days. This is partially linked to developments in the southern neighborhood. However, it stems more fundamentally from the absence of success stories in the region itself. With the partial exception of Moldova, the EU's regional partners have provided more reasons for disappointment and concern than optimism. The Eastern Partnership, conceived as a vehicle of special cooperation between the EU and six post-Soviet states, including Ukraine, has lost so much dynamism that its 2013 summit (during Lithuania's EU presidency) may not be convened at all. This is happening at a time when Europe's economic future is at stake, which objectively diverts attention away from foreign policy and makes the EU more inward-looking.

It thus should be no surprise that the official EU policy slogan toward its neighbors— “more for more”—is, for many of them, really becoming “less for less,” a recipe for disengagement.

The Russian Factor

Above I mentioned Russia’s inability to realize its political ambitions in Ukraine, but is there a risk of a hostile takeover of Ukraine by its neighbor down the road?

Even though the deterioration in relations between Ukraine and the West has undeniably undermined the foundations of Ukraine’s “balancing act” and significantly weakened its position vis-à-vis Russia, Ukraine’s “surrender” is not a scenario for tomorrow. The Kremlin must realize that efforts to take Ukraine under its full control will provoke resistance from many different quarters of the country, from more national-minded citizens to economic elites and business powerhouses. At the same time, the economic price of reintegration would not be popular among Russia’s own growing nationalist movement.

Perhaps today’s picture is acceptable for the Kremlin. Ukraine’s integration into the EU has been postponed for the foreseeable future and its NATO membership prospects have been taken off the agenda completely. Moreover, Ukraine, unable to negotiate further price discounts, now pays its high gas bills regularly, which suits Gazprom’s interests perfectly.

Under these circumstances, the EU and Russia share an immediate concern: the smooth functioning of gas transit. This is a mutual concern about the stability of supply and demand, however, not Ukraine’s economic stability or political fidelity. If and when Russia reorients its gas exports to bypass Ukraine, both Russian and European interests in Ukraine are likely to decrease further.

Can the EU-Ukraine Relationship be Put Back on Track?

The short answer is “no” unless the administration in Kyiv changes course, which it shows no sign of doing. This does not mean that Brussels should close its tool chest. It should release a list of targeted sanctions against people who are personally involved in criminal activities (including manipulation of justice, media persecution, and electoral fraud). Certain individuals would be affected knowing that the deterioration of democratic standards in their country has a personal price tag for them. Ukraine’s pro-European constituency can be further mobilized through visa liberalization and projects with civil society and business circles; many businessmen are frustrated with the economic climate in Ukraine in general and disheartened by the waning prospect of a free trade regime with the EU. Importantly, an effective information campaign is needed to explain to Ukrainian society that the obstacle to pan-European cooperation is the course set by the government in Kyiv, not the unwillingness of Brussels or individual EU member states.

Admittedly, however, the emergence of an EU consensus around such an action plan is not very likely. It would require a general rethinking of the EU’s regional approach, making it more ambitious and based on a restored realization that the fate of

Ukraine's transformation is, indeed, critical for the whole area. Only with the development of such a vision will the EU truly feel uncomfortable leaving Ukraine to its own devices.

No Correct Price

RECENT ENERGY NEGOTIATIONS BETWEEN RUSSIA AND CHINA

PONARS Eurasia Policy Memo No. 237

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For more than a decade, the Russian government has sought to increase energy exports to the Far East, while the Chinese government has searched the world over for new sources of energy imports. Nonetheless, six years after a memorandum of understanding and three years after the signing of a “framework agreement,” the two sides still have not reached an agreement on a long-term natural gas deal. While some uncertainty remains regarding pipeline construction and supply volumes, the key sticking point is and has been price. It is sometimes tempting to believe that an appropriate price exists and that one side or the other is refusing to acknowledge this reality. Alternatively, some observers argue that the gas negotiations, which have dragged on longer than similar discussions over oil, are more difficult precisely because there is no world gas price as markets are too fragmented.

This memo argues that there is no “correct” price, only a price on which two sides can agree. At the same time, there are forces—including world markets—that can affect the range of acceptable prices in understandable ways. This memo first explores the difficulties of reaching an agreement on price for Russia and China’s deal on oil, a sector in which finding the “right” price is allegedly straightforward because of the widespread use of market-based benchmark pricing around the world. The memo then examines the factors affecting the bargaining power of the two sides in gas negotiations. Notably, while a number of mechanisms for determining gas prices exist, those mechanisms are changing rapidly, in part because of new developments in production and shipping capacity. In addition, both governments continue to seek alternative partners, and both face pressures from their own domestic political economies. The conclusion is that both sides have some incentives to delay finalizing a price, and even if an agreement is reached, we should expect renegotiations in the future as the context continues to shift.

The Pricing of Oil and Gas

Students of the world oil market correctly point out that the pricing mechanism has become much more transparent in the last 20-30 years. In the old system, large corporations and governments set prices in confidential long-term contracts, while short-term deals were made between private parties who did not need to report their deals. Today, however, prices are based on global instantly-reported trades of futures and cargoes in New York, London, Dubai, and Singapore.

By contrast, natural gas markets are much more disparate and pricing mechanisms much more opaque. One of the most important reasons for this fact is the physical nature of gas; it is much harder than oil to transport by ship, train, or any other mode besides a pipeline. This, in turn, means that gas cannot be exported outside its pipeline network, so markets in, say, North America, Europe, and Asia do not influence each other nearly as much as they do in oil. (According to World Bank commodity price data for June 2012, the price of gas in the United States is \$2.46 per million btu, in Europe \$11.49, and in Japan \$16.90.) Furthermore, natural gas cargoes and futures are not traded nearly as widely as oil cargoes and futures, so the mechanism for determining the price in a given contract is far less clear for gas than for oil.

However, we should not overstate these differences, especially in their implications for negotiating long-term contracts. The current 30-year oil deal between Russia and China, for example, took several years to hammer out, and the system for determining prices has been renegotiated a number of times. Initially, both sides agreed that China's price would be linked to a particular benchmark (the price of Brent blend oil from the North Sea, a very common marker), but they disagreed on the formula. It began as a discount of about three dollars per barrel but was later re-negotiated to a discount of about \$2.30 per barrel, although Russia argued for an even higher price. Once the Far Eastern port of Kozmino was opened for oil trade, China agreed to pay the spot price of oil purchased at Kozmino. Soon, however, China argued that it should be paying less, since Kozmino oil had to transit about 2,000 kilometers by rail, while oil shipped to China was arriving by pipeline, a much less expensive form of transportation. Currently, China has agreed to pay the higher price for oil that has already been delivered, but Russia has agreed to lower the price by \$1.50 per barrel for future deliveries. The existence of relatively transparent market prices for oil in the world does not preclude drawn out negotiations and renegotiations of particular deals.

Conversely, the fragmented nature of world gas markets does not mean there are no market-based mechanisms for pricing. In the United States, in fact, the system looks quite similar to the one used for oil. Spot and futures trades for oil are conducted based on delivery to Cushing, OK (where several major pipelines meet); for natural gas, they are conducted based on delivery to the Henry Hub in Louisiana (likewise, where several major pipelines meet). Most deals in North America are linked to the price generated by the relatively liquid and transparent trade of Henry Hub gas. In the 1990s, Great Britain adopted a similar system of pricing, and that approach began to spread to northwestern Europe when a pipeline was built from Great Britain to Belgium.

Most of continental Europe uses a different market-related approach—“oil indexation”—to determine natural gas prices. This system links gas prices to the price of various oil products, such as heating oil, which could conceivably be used as alternatives to natural gas. The oil products are typically more widely and easily traded than natural gas, so this approach allows market-linked pricing for a commodity that is more difficult to trade. Asia, too, uses oil indexation to set natural gas prices, although there are more choices of benchmark price (including Europe, Dubai, and Singapore) and often more disagreement over the appropriate formula (since the local markets are more varied than in Europe).

In order to understand gas negotiations between Russia and China, the important difference between oil and gas markets is not that one is market-based and one is not; it is that the world of natural gas trading is in a state of flux. Although no one knows where it will end up, the recent trend seems to be away from oil-indexed pricing and toward hub-based pricing along American lines. Three factors are pushing in this direction. The first is technological: the ability to economically compress natural gas into liquid form and build ports and ships to transport it on a commercial scale is changing the world of natural gas. The liquefied natural gas (LNG) industry is breaking the monopoly of pipelines and making trade—and therefore arbitrage—between previously segregated markets possible. The second is ideological: hub pricing and futures markets fit well with neoliberal principles for trading systems, and those principles continue to spread around the world. The third is material: traders and would-be traders stand to make a great deal of money from a change in the system, so they advocate for that direction.

In the midst of this change, Russia has argued for a pricing formula with China similar to the oil-indexed pricing it uses with European customers, while China has resisted. Under current market conditions, oil indexation would produce a higher price than hub pricing, although that could change in the future. With uncertainty surrounding which pricing mechanism is likely to be the standard in the near future, negotiations over a long-term gas deal are bound to be drawn-out, as neither side can be sure how best to pursue its interest regarding price.

Other Changes in the Global Gas Trade

Beyond the pricing mechanism, several other factors shape the negotiations. Perhaps most important is what is colloquially known as the shale gas revolution. Shale is a type of rock that forms in thin layers as particles of clay and other materials are deposited and then compressed. Within those layers and between those particles can reside small pockets of natural gas (as well as oil). Although shale gas has been exploited in small quantities for more than a century, it has only been technologically and economically feasible to produce it on a large scale for about a decade: improvements in horizontal drilling and in hydraulic fracturing (“fracking”), in turn made feasible by high energy prices, have seen shale gas production take off. In the United States, where the technology has been deployed most widely, natural gas production has grown by about 20 percent since 2005, and shale gas accounted for more than 20 percent of total

production in 2010. Although the main effect of this new production has been to lower gas prices in North America, the expansion of LNG shipping raises the possibility of transporting excess natural gas to markets around the world, including Asia. Furthermore, many analysts believe that China has enormous shale gas deposits to be exploited, although exploration and production are in their infancy, and commercial production may be a decade away.

Another important factor shaping Russian-Chinese relations is the development of other sources of gas imports for China. The most prominent of these is a major gas deal between China and Turkmenistan. Shipments began in the second half of 2010 and total about 30 billion cubic meters per year—which currently accounts for between 20 and 25 percent of total Chinese consumption—with plans to more than double that volume. Notably, the Turkmenistan deal is a “take-or-pay” arrangement, so China does not have the option of decreasing its Turkmen imports in favor of Russian imports even if it could agree on an advantageous price for Russian gas. In addition to the deal with Turkmenistan, China has signed a number of long-term agreements to import LNG from Australia, another country with significant shale gas potential. China appears likely to continue seeking out new contracts with suppliers around the world, including arrangements that give Chinese companies equity stakes in producers, much as it has done in the oil sector.

These factors seem to either strengthen China’s hand (the arrival of new supplies on the market) or at least put Russia’s strength in doubt (the uncertainty regarding popular pricing mechanisms). There are two significant developments, however, that appear to push in Russia’s favor. First, the flexibility provided by the growing LNG market does not just give China access to new supplies; it also gives Russia access to new customers. LNG from Sakhalin, for example, can be sold to Japan (its current main customer), South Korea, Taiwan, or other gas-hungry economies, in addition to China. Russia has lagged behind other major exporters in the construction of LNG terminals, but it is expanding its presence in the industry. Experience with the Eastern Siberian-Pacific Ocean (ESPO) oil pipeline has shown just how beneficial it can be to have multiple customers, as demand for oil delivered to the Far Eastern port of Kozmino has driven its price well above its opening level in 2009, even in relation to other marker crudes. Expansion into LNG may give Russia increased negotiating leverage with China, even if China’s gas eventually comes through a pipeline.

China’s fundamental weakness in the negotiations, however, is its almost impossibly large and growing thirst for natural gas. Among the drivers of this demand, the most obvious is the continued growth of the Chinese economy. Just as industrialization made China a net importer of oil in the early 1990s, it has made the country a net importer of natural gas in the last half-decade; continued growth will mean continued energy demand. Even more important, however, is the changing profile of energy consumption in China. The country has long relied on coal as its main fuel for stationary uses (mostly electricity generation). Coal accounts for about 70 percent of total energy consumption in China, while natural gas accounts for only about three to four percent. The environmental impact of such large-scale coal use is clear to the Chinese

government, however, which has announced a policy to raise the contribution of natural gas in total energy consumption to 10 percent by 2020, in part by converting some coal-fired electrical plants to gas. If the Chinese automobile market begins to include more gas-powered vehicles, demand could increase even more quickly. In any case, projected rates of gas consumption show that China will still need Russia regardless of how many alternative supplies it taps.

Conclusion

The negotiations over a Russia-China gas deal have dragged on for a number of years after an oil agreement was reached. One important reason for the delay has been the nature of pricing in the gas industry, although not because one side or the other is refusing to agree to an objectively fair price or because there is no market-linked mechanism for determining gas prices. Instead, the issue is that the accepted mechanism for determining prices in Asia appears to be changing. Neither side, therefore, can be certain of the price that would be most advantageous, although delay at this point would appear to benefit China. The delay, however, does not mean that Russia will be left out of the Chinese natural gas market. While it is true that China is developing as many options as it can, the sheer size of Chinese demand means that Russia will be an important player – and indeed may see its position strengthen – for decades to come.

A deal will eventually be done because both sides need it and because there is room to reach an agreement that benefits both of them. There is, however, no objectively correct solution. It is, instead, a matter of negotiating power, in flux at the moment. In fact, any deal that is reached is likely to be renegotiated during the life of the contract, just as has happened with the oil agreement.

The Domestic Limits of International Expansion

RUSSIAN NATIONAL OIL COMPANIES & GLOBAL MARKETS

PONARS Eurasia Policy Memo No. 238

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Gazprom and, more recently, Rosneft have both expanded their operations abroad, seeking to establish themselves as major players on the international petroleum market. Most commentators have portrayed this expansion as an orchestrated power grab to dominate global gas and oil markets, particularly in the European context, and an inevitable consequence of Russia's increasingly centralized authoritarian rule. It would be more instructive, however, to consider it as part of a global trend.

Over roughly the past three decades, but especially since the beginning of the 1990s, emerging country national oil companies (NOCs) have increasingly sought to internationalize their operations. In other words, like all multinational corporations (MNCs), they are pursuing investment, production, and employment in multiple countries and regions around the world. More specifically, NOCs seeking to internationalize are trying to become international oil companies (IOCs); that is, to expand their assets and operations abroad to include exploration, production, refining, marketing, and distribution.

This ambition to internationalize has been realized with differing degrees of success. While some have managed to compete successfully with IOCs to win the rights to exploit new and pre-existing petroleum reserves in the developing world (like the China National Petroleum Corporation (CNPC), Petrobras, and Petronas), others have been denied the necessary legal framework and/or investment capital to make this possible (Pemex, Sonatrach, and the State Oil Company of Azerbaijan (SOCAR)).

Viewed in comparative perspective, it is clear not only that Russian NOCs have achieved only a moderate level of success vis-à-vis their counterparts but also that there are considerable domestic limitations to their international ambitions. Counter conventional wisdom, these limits are not related to either the availability of domestic reserves or the relative technical capabilities of NOCs vis-à-vis IOCs. They can instead be attributed to tensions between NOCs and IOCs that hinder the transfer of technical knowledge and, perhaps more surprisingly, to a divergence of interests between the Russian government and NOC managers regarding internationalization.

International Expansion of Gazprom and Rosneft

Gazprom first signaled its interest in pursuing internationalization in 1998 when it established *Zarubezhneftegaz* with the expressed intent of strengthening its international competitiveness and expanding its activities overseas. During the first half of the 2000s, this primarily took the form of signing gas purchasing and transit contracts with Central Asian governments, beginning with Kazakhstan (2001) and Uzbekistan (2002). But it has undergone two significant transformations since 2005. First, Gazprom expanded its operations in Central Asia to include exploration and production; as of 2012, it had signed agreements to commence such activities in every Central Asian state except Turkmenistan.* Second, Gazprom broadened the geographical scope of its operations beyond Central Asia. Although primarily exploratory, the number of countries in which Gazprom now operates has increased markedly. As of 2010, it operates in virtually every region of the world, including Africa, Asia, and Latin America, and has attained exploration licenses in several countries outside the Commonwealth of Independent States, including Algeria (2008), Bolivia (2007), Libya (2006), Nigeria (2009), Venezuela (2005), and Vietnam (2005).

Rosneft's foray into the international arena has been equally diversified but much less impressive in terms of its geographical expansion. Part of the reason for this is that it has occurred more recently. Since 2010, the company has sought to simultaneously expand its downstream and upstream operations abroad. In October 2010 it purchased PdVSA's 50 percent stake in a company (Ruhr Oel) that own stakes in four German refineries and controls approximately 20 percent of Germany's refining capacity.† In that same year, Rosneft signed an agreement to build a refinery in China, as part of a joint venture with CNPC. As of June 2010, it had upstream projects in four countries in three different regions: Algeria and UAE (Middle East and North Africa), Kazakhstan (CIS), and Venezuela (Latin America). Importantly, Rosneft has focused increasingly on acquiring offshore fields, allegedly to improve its own technical capacity to develop such fields. In May 2012, for example, it signed an agreement with Statoil to jointly explore offshore fields in the Russian sections of the Barents Sea and the Sea of Okhotsk and in the Norwegian section of the Barents Sea.‡

Russian NOCs in Comparative Perspective

Despite their efforts to expand operations abroad, Gazprom and Rosneft have actually achieved a fairly modest degree of internationalization. This becomes evident when systematically comparing them to other emerging country NOCs around the world, including those of the other three BRIC countries (Brazil, India, and China).

As illustrated in the figure below, Russian NOCs trail behind Malaysia's

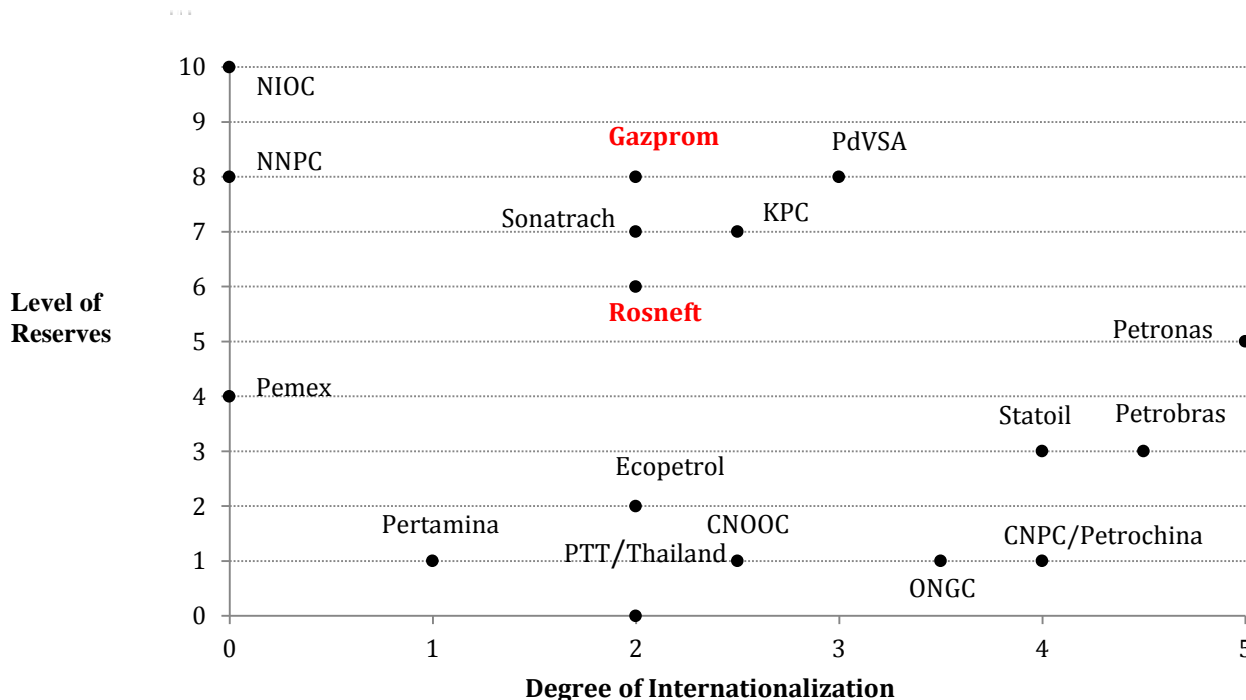
* Prior to this, Gazprom's involvement in exploration in Central Asia was limited to the *Tsentralnaya* field within the Kazakhstani section of the Caspian Sea, in which it is the joint operator (with Lukoil) of *TsentrCaspneftegaz* and owns a 25 percent stake in the project. Gazprom's involvement in production was limited to the *Shakhpakhty* field in Uzbekistan, in which it is the chief operator.

† The other 50 percent is owned by British Petroleum (BP).

‡ The agreement also included Rosneft's possible acquisition of stakes in Statoil's international projects.

Petronas, Brazil's Petrobras, China's CNPC and CNOOC, India's ONGC, and even Venezuela's PdVSA and Kuwait's KPC. This figure is based on an original composite index* that assigns NOCs a "degree of internationalization score" (from 0 to 5) based on individual scores (from 0 to 1) for each of five indicators: a) geographical scope of foreign operations; b) foreign assets; c) foreign production; d) foreign profits; and e) vertical integration. According to this index, emerging country NOCs range from achieving no internationalization at all (0-1) to achieving a high degree of internationalization (4-5). Most fall between these two extremes with a moderate degree of internationalization (1.5-3.5).

Level of Reserves and Degree of Internationalization, 2000-2010



It is important to note that the appraisal given here is a significant departure from most other assessments of Russian NOC performance on internationalization. There are essentially two reasons for this. First, the extant literature offers no single agreed-upon definition of NOC internationalization or clear (and comprehensive) criteria for what constitutes success. As a result, internationalization is often equated with engaging in any kind of activity abroad, from establishing a commercial office to a partnership agreement between two firms to winning a bid for an exploratory block. Second, and relatedly, this literature also routinely relies on a single indicator both to

* For details, see Pauline Jones Luong and Jazmin Sierra, "Crude Ambitions: The Internationalization of Emerging Country NOCs," paper presented at the LASA Annual Convention, San Francisco, May 2012.

determine whether a NOC has internationalized and to assess the degree of internationalization across NOCs, such as the number of foreign countries in which a NOC has operations abroad.* The problem for analysis is that each indicator clearly privileges some NOCs over others in its assessment of internationalization and none provides an accurate or complete picture of the empirical distribution of outcomes across NOCs.

It is also important to note that the “degree of internationalization score” (DIS) assigned to an NOC is not correlated with the level of reserves it holds. Thus, the typical explanation for why some NOCs are more “internationalized” than others—that they are either net exporters seeking to secure demand for their domestic production or net importers seeking to secure supply for domestic consumption—does not seem to explain the variation in the DIS across NOCs. If it did, we would see higher scores for Mexico’s Pemex and Indonesia’s Pertamina and lower scores for Petronas and PdVSA. The level of reserves does least well in accounting for the majority of NOCs, which fall into the moderate category despite varying levels of reserves.

Domestic Limits to International Expansion

Comparative research on emerging NOCs also suggests that there are two main domestic obstacles to achieving a high degree of internationalization.

The first obstacle is a history of tense relations between the NOC and IOCs. This is usually the product of the political context in which the NOC was created and its role in the nationalization of the petroleum industry—specifically, whether nationalization involved expropriation from IOCs and whether this process was consensual or conflictual. Tense relations can impede success because they have a direct effect on both the willingness and ability of the NOC to acquire the necessary technical expertise and managerial experience to expand abroad. Contrary to the conventional wisdom that NOC internationalization is an inevitable consequence of the diminishing gap in technological capabilities between NOCs and IOCs, this is in no way guaranteed for each individual NOC. Moreover, in most cases, reversing the asymmetrical technical advantage of IOCs vis-à-vis NOCs requires ongoing amicable partnerships with IOCs. Open hostilities can prevent the establishment of partnerships altogether, whereas mutual distrust can undermine the transfer of knowledge from the IOC to the NOC even where such partnerships exist.

The second obstacle is a divergence of interests between the government and NOC managers concerning the benefits of internationalization. Simply put: where one side is less than enthusiastic, the efforts of the other can be undermined through various means. Governments can obstruct the NOC’s access to financing and deny it diplomatic support for its overseas ventures. NOC managers can thwart internal reform (including technical as well as managerial improvements) and approach international projects with less vigor and attentiveness than domestic ones. Divergence also imposes a significant

* Two exceptions include UNCTAD’s Transnationality Index (TNI) and Internationalization Index (II). These measures, however, are not comprehensive; for example, they can measure intensity of foreign operations but not scope and are only available for a few years (see Jones Luong and Sierra 2012 for a detailed critique).

opportunity cost: where both sides regard internationalization as essential to the future viability of the NOC itself, there is a much greater likelihood that—on balance—international projects will be commercially rather than politically motivated.

Russian NOCs face both of these obstacles, albeit with some important points of departure from their counterparts in other emerging countries. Tense relations between NOCs and IOCs certainly exist, but they have more recent origins* and the tensions are more a function of professional pride on the part of NOC managers and personnel than nationalism per se.† They have nonetheless impeded the establishment of ongoing amicable partnerships with IOCs—even where there is wide recognition that such partnerships are acutely needed (for the development of hydrocarbons in the Russian Arctic, for example). This has been exacerbated, moreover, by the divergence of interests between the Russian government on the one hand and the management of Gazprom and Rosneft on the other regarding the necessity, let alone desirability, of internationalization. In short, managers within both companies consider pursuing exploration, production, and even refining abroad to be an unfortunate distraction from developing their own abundant and superior domestic reserves and to serve a purely political purpose. They express some resentment for being charged with developing inferior fields and taking on less qualified partners to develop them. In their lack of enthusiasm for global expansion, Russian NOCs are again somewhat unique among their counterparts. In most other emerging countries, NOC managers have either initiated expansion (like Petrobras) or readily endorsed the government's global initiatives (like Petronas). It is usually the government that is opposed.

What this means for the global expansion of Russian NOCs, at least in the short-term, is that we are not likely to see much improvement in the degree of internationalization they have achieved up to now. First, the recalcitrance of NOC management will slow down the pace of both acquisitions abroad and their development. Second, the quality and viability of overseas projects will remain fairly low, as the state-led process of internationalization continues to prioritize political goals over economic ones. In sum: NOC internationalization will serve as a fairly blunt political weapon for the Russian government, as these projects are unlikely to bear much fruit (or, as it were, oil and gas).

* Here I am referring to the 1990s when IOCs were denied access to coveted Russian oil fields in favor of domestic oil companies and subsequently faced increasingly insecure property rights.

† Private NOCs actually benefited from not having *neftianiki* at the helm; bankers proved much less resistant to adopting both advanced technology and Western managerial structure and practices (for details, see Pauling Jones Luong and Erika Weinthal, *Oil is Not a Curse*, Cambridge University Press, 2010, Chapter 5).

Energy Deposits and Contested Maritime Boundaries in Eurasia

PONARS Eurasia Policy Memo No. 239

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Numerous boundary disputes in Eurasia concern regions with proven or suspected petroleum deposits. Some of these disputes have been solved peacefully, as in the case of Russia and Norway, which successfully delimited their maritime boundary in 2010. Others remain unresolved and even lead to military build-ups and confrontations, as in the Caspian Sea. This memo outlines a set of petroleum-related maritime disputes in which Russia has a stake. It argues that Russia's actions are driven by political and geo-economic considerations and that financial gain is a secondary concern in these disputes.

Across the globe, numerous states make competing claims for maritime regions in which oil and gas deposits are suspected or already known to exist. Most prominent today is the South China Sea, where China insists on maritime boundaries that conflict with the claims of its neighbors, including those of the Philippines and Vietnam. Similarly, China and Japan have a long-standing dispute in the East China Sea, where considerable gas resources are assumed. Since 2008, substantial gas finds in the Eastern Mediterranean have aggravated existing tensions between the Republic of Cyprus and Turkey and have transformed the undelimited maritime region between Israel and Lebanon into a possible source of friction as well. In Eurasia, the most prominent petroleum-related boundary disputes remain those among Caspian states—between Azerbaijan and Turkmenistan and between Iran and the four other littoral states. Similarly, Russia and its Arctic neighbors have unresolved maritime issues in the far north, where speculation on substantial petroleum reserves abounds.

There are several historical examples of states using military action to capture territories because of the petroleum resources associated with them. Prominent cases are Japan's aggression toward Indonesia, Nazi Germany's drive toward Baku in World War II, and Saddam Hussein's decision to invade Kuwait. Less known is the Chaco War between Bolivia and Paraguay, in which suspected oil deposits also played a part. Increased control over energy supplies in the Middle East has been mentioned as one of

the possible motives behind the U.S. invasion of Iraq, although the evidence is arguably less clear in this case. With regard to maritime disputes between neighboring states, however, the aim of seizing and holding entire resource areas has not been an important rationale for the use of force. Rather, the use of force serves to demonstrate sovereignty over a disputed maritime region and strengthen a country's claim to it, or to hinder the exploratory activities of another state and its associated companies. Protection of a state's claim strength has led China to face off with Vietnam over several islets in the South China Sea, while the interdiction of exploration activities is illustrated by a recent incident in the Caspian Sea. In June 2012, Turkmenistan began exploratory work around a deposit claimed by Azerbaijan as well. Azerbaijan sent gunboats to prevent the civilian research vessel from continuing its work, with both countries filing protests against the other.

Comparing the Arctic and the Caspian

The Arctic and the Caspian provide a useful point of comparison on the issue of undefined maritime boundaries and petroleum deposits because Russia and Norway were able to resolve peacefully a 40-year boundary dispute in the Barents Sea in 2010, while disagreements over the Caspian have continued since the collapse of the Soviet Union in 1991. In April 2010, Norway and Russia made the surprising announcement that they had resolved their territorial dispute in the Barents Sea by essentially dividing the disputed acreage in half. The five littoral states of the Caspian Sea have, in contrast, not yet agreed on its overall legal status and Russia has not actively sought compromise on the matter. Boundary disputes remain between several of the states, though Russia, Kazakhstan, and Azerbaijan have resolved mutual claims against each other.

The Barents Sea

With regard to the Barents Sea, a large number of factors played a role in Russia's decision to strike a deal with Norway. Today, the Arctic is an area of great international interest as ongoing climate change results in the loss of sea ice and opens access to large predicted resource deposits and lucrative new commercial shipping routes at a time when unchallenged U.S. hegemony is coming to an end. This interest is shared by the five Arctic littoral states—the United States, Russia, Canada, Norway, and Denmark—as well as non-Arctic states and organizations, such as the European Union, China, Japan, Korea, India, and Singapore. Accordingly, a key motivator for Russia and Norway was the concern that their ongoing dispute would provide an opportunity for the EU or its member states and other outsiders to influence Arctic affairs and play a larger role in defining how Arctic resources are developed and utilized.

Indeed, both Russia and Norway recently have resolved a variety of outstanding border disputes in an apparent effort to limit the role of outsiders. Just before coming to agreement with Russia, for example, Norway had agreed to a similar arrangement with Denmark. Likewise, by resolving its overlapping claims with Norway and consolidating its sovereign rights, Russia was able to focus on its other plans for development of the Arctic. These efforts include what Russia considers to be more important claims to

delimiting the outer continental shelf, as well as exertions to develop extensive Arctic energy fields and regulate potentially lucrative shipping connecting Europe and Asia through the Arctic. Russia was particularly interested in preventing the formation of a joint NATO front in the Arctic since the four other Arctic states are all NATO members. The high north plays a large role in Russia's nuclear strategy since it is the base for many of its nuclear submarines.

The economic crisis of 2008 was also likely one of several motivators for Russia to sign the agreement. The global economic slowdown, which had severe consequences for Russia, made it clear that the country could not expect to thrive on the basis of autarky. Russia particularly needs access to Western technology and investment funding to develop its Arctic resources and the ongoing dispute with Norway made such access less likely. Oil companies need to be assured that their drilling licenses will not be revoked before they will make an investment, so the resolution of the conflict increased their confidence. At the time of the treaty signing, the Norwegians had high hopes for joint energy development programs with Russia, particularly regarding the Shtokman gas field. While those hopes remain unfulfilled, they may have contributed to the overall momentum to sign the delimitation treaty.

The Caspian Sea

In contrast to the situation in the Barents Sea, Russia has little interest in addressing the overall dispute about the legal status of the Caspian. This dispute concerns the question of whether the fully enclosed Caspian Sea should be treated as a lake and governed jointly between the five littoral states (Iran's position), or whether it should be regarded as a maritime area and divided into exclusive national sectors according to international maritime law (by now the apparent position of the other littoral states). Working toward a solution of this matter is not in Russia's interest. Resolving the dispute would facilitate the construction of a Transcaspian pipeline carrying Kazakh and Turkmen energy directly to Europe, further reducing Russia's already shrinking ability to control natural gas supplies to Western consumers.

A second obstacle in resolving disagreement over the general status of the Caspian Sea is Iran's inability to develop the resources that are being contested. A country lacking the means to develop contested energy deposits has a reduced incentive to settle a boundary dispute. In fact, it may be in its interest to keep the conflict going, as this will prevent other states from developing the resources as well. Iran now lacks the ability to develop Caspian petroleum deposits due to general investment problems and the ongoing sanctions against it. Furthermore, Tehran controls lucrative deposits elsewhere on its territory and prioritizes their development, further reducing Iran's interest in defining the legal status of the Caspian.

The overall legal status of the Caspian is not the only problem; numerous bilateral disputes exist between the various littoral states. While Azerbaijan and Turkmenistan have agreed to divide the maritime area between them into exclusive national sectors, they disagree on the specific dividing line to be used. Turkmenistan rejects the boundary used by the Azerbaijani government in its awards of petroleum

concessions because it has not been modified to reflect the irregularity of Azerbaijan's coastline. This has led to competing claims of ownership over the Serdar field, as well as over parts of the area containing the Azeri and Chirag fields. Turkmenistan has laid claim to part of the profits earned by the Azerbaijan International Operating Company. Azerbaijani observers point to claims that continued conflict could open the door to Russian or Iranian intervention. Again, Russia benefits from the continuing disagreement because it reduces the chances of energy flowing from Central Asia to Europe. Azerbaijan's relations with Iran are also poor. In July 2001, the Iranian military forced an Azerbaijani survey vessel to leave a disputed part of the Caspian that contains the Alov-Sharg-Araz field, known to Iran as Alborz. Now BP and SOCAR are exploiting these deposits. Given Iran's difficult relations with Azerbaijan, Baku's conflict with Turkmenistan works to its favor. Similarly, Iran and Turkmenistan have not come to an agreement on how to draw a boundary between them. Non-Caspian powers in the West or NATO can use these conflicts as an excuse to intervene, which should provide the various sides with at least some incentive to manage the disputes on their own. The stakes remain high since in July 2012 Iran announced that it had just discovered \$50 billion worth of oil in the Caspian.

When it is in its interest to do so, Russia has been able to cooperate in the Caspian. It defined an equidistant boundary with Kazakhstan in 1998 and 2002 and agreed to jointly develop three offshore oil fields (Kurmangazy, Tsentralnoe, and Khalynskoe) in the northwestern part of the Caspian, dividing the income from them. In this deal, Kazakhstan made major concessions to Russia because Kazakh President Nursultan Nazarbaev felt that it would be better to be able to export from some parts of the Caspian rather than not be able to export from any part of the region. Similarly, Russia and Azerbaijan agreed to an equidistant boundary in the Caspian, while Kazakhstan and Azerbaijan have a similar treaty.

Why Does Cooperation Prevail in Some Cases But Not Others?

What factors led Russia to resolve some maritime issues but not others? In the Barents Sea, a drive toward the exploration of offshore oil and gas deposits was likely not a major consideration. Russia still controls vast untapped petroleum resources on land and could have left the maritime dispute in the Barents Sea in a permanent state of limbo, especially since Norway has consistently refrained from unilateral exploration activities in the disputed region. The sudden Russian interest in the resolution of overlapping claims stemmed from a political consideration: resolving a long-standing disagreement that offered other states—Arctic and non-Arctic alike—an opportunity for intervention. Additionally, a desire to strengthen the UN Convention on the Law of the Seas as the framework for the resolution of other Arctic disputes could have been a plausible Russian interest.

In the Caspian, Russia concluded maritime boundaries with both Azerbaijan and Kazakhstan in the early 2000s. Compromise on these boundaries may have been facilitated by the fact that both Azerbaijan and Kazakhstan offered Russia a stake in the development of several known offshore fields, giving it increased influence over the

petroleum activities of these two states. But with regard to the conflict over the general legal status of the Caspian, Russia has not actively sought a comprehensive compromise. This is unsurprising insofar as the remaining disagreement with Iran hampers the construction of a Transcaspian pipeline, something that could only diminish Russian control over energy flows to Europe. In this regard, it is convenient for Russia that Iran also has no interest in resolving the overall Caspian dispute (since it is hard pressed for investment capital and has more attractive petroleum deposits to develop elsewhere on its territory).

In conclusion, Russian actions suggest that the Kremlin's top priority is maximizing political and geostrategic control over key disputed territories on its borders, such as the Arctic and Caspian Sea. Russia will use either cooperative or confrontational means to maximize control over this territory depending on the ability of such means to maximize control. Financial motives play a role, but they are secondary to concerns about retaining control and reducing to a minimum the power of outsiders to influence what happens with these territories.

Restoring Brotherly Bonds

TURKISH-AZERBAIJANI ENERGY RELATIONS

PONARS Eurasia Policy Memo No. 240

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In Eurasian energy politics, the relations between regional powers are as central as their relations with global powers. Few are of more consequence than the relations between Turkey and Azerbaijan. Given past price disputes, inconclusive negotiations on the Nabucco gas pipeline project, and, most recently, the June 2012 Trans-Anatolian pipeline (TANAP) agreement, Turkish-Azerbaijani energy relations have proceeded with ups and downs. However, since late 2011, they have begun to gain momentum anew.

Turkey's energy relations with Azerbaijan have become increasingly important, as Turkey has been trying to diversify its energy resources in terms of both energy type and country of origin. It has also been struggling to be an energy bridge between major oil and gas resources of Eurasia and energy-thirsty Europe.

Turkey is an energy dependent country, importing \$54 billion worth of energy in 2011 (corresponding to approximately 69 percent of Turkey's balance of accounts deficit). It imports 58 percent of its natural gas and 12 percent of its crude oil (2011) from Russia. It also imports 19 percent of its gas and 51 percent of its oil from Iran. In comparison, Azerbaijan's share of Turkish natural gas imports is relatively low (about 10 percent of Turkey's total natural gas imports), and its share of Turkish oil imports is marginal (less than .5 percent). Yet future uncertainties about potential pipeline projects, as well as the impact of the Arab Spring, can create changes in supplies resulting in a higher share for Azerbaijani gas.

Political issues are also important in shaping Turkish-Azerbaijani energy relations. The signing of an April 2009 agreement between Turkey and Armenia, which defined a provisional roadmap for normalizing relations, created discomfort in Azerbaijan. Just three days after the signing of the agreement, the president of SOCAR, Azerbaijan's state-owned oil and natural gas company, demanded a new deal on energy prices, as the agreement that had defined natural gas prices had expired in 2008. Since then, Turkey had been importing natural gas at the old prices. The fact that Azerbaijan played the gas price card right after the Turkish-Armenian rapprochement had begun suggested that developments in foreign relations still strongly affected energy policy.

The result was a new compromise. The Turkish minister of energy at the time, Hilmi Güler, declared that there was no disagreement but negotiations continued apace. At the start of May, Turkish Prime Minister Recep Erdoğan reshuffled his cabinet (in response to the AKP's relative setback in local elections earlier that year) and Güler was ousted in the process. It has been argued that the ongoing price dispute had an impact on this decision. Whatever the cause, the first task of the new minister, Taner Yıldız, was to deal with the price dispute. Following technical bilateral negotiations, a visit to Azerbaijan by Erdoğan in mid-May was instrumental in easing tensions. During the visit, the Turkish side assured Baku that they would not violate Azerbaijani interests in their negotiations with Armenia, while Erdoğan acknowledged that a new deal would be made on fair pricing.

After this promise to resolve the price dispute, Turkish-Azerbaijani energy relations entered a new phase with a July 2009 intergovernmental agreement on the Nabucco pipeline. The main goal of the Nabucco pipeline, which aimed to take Azerbaijani natural gas to eastern and central Europe through Turkey, was a diversification of European energy suppliers and routes. However, serious concerns have plagued the project from the outset. One main challenge was the lack of throughput commitment, especially from Turkmenistan. Moreover, questions about the amount of resources available to finance and sustain the project caused repeated hesitation among investors. Also, the EU partners failed to evince a strong determination and a consensus to realize the project. Russia has also been a persistent obstacle. Since the Nabucco pipeline threatened its East-West energy transit monopoly, Moscow tried to prevent Nabucco from going forward by pressuring Turkmenistan and Kazakhstan, which were to be important suppliers.

In 2010, the price dispute between Azerbaijan and Turkey was finally settled through agreement on the Shah Deniz-II (or Stage 2) project, a major expansion of Azerbaijani gas production and westward export. During the negotiations, the parties also discussed prices on Shah Deniz-I gas. According to the agreement signed in June 2010, Turkey agreed to pay compensation to Azerbaijan for importing gas at pre-2008 prices. In the end, the parties agreed on a new pricing deal. As is customary with Turkish-Azerbaijani gas deals, the new net price remained confidential, but parties confirmed that prices would now fluctuate according to market conditions. Turkey would reportedly retain a discount in its import price for Azerbaijani gas, relative to the price it pays for Russian imports.

Uncertainty about the future of Nabucco and Russia's policy aiming to maintain its monopoly on energy transit led Turkey and Azerbaijan to seek new initiatives. The two sides signed a memorandum of understanding on a new Trans-Anatolian pipeline project (TANAP) in the last week of 2011. At the time when the agreement was signed, the prospects for Nabucco looked bleak. According to the agreement, about 16 billion cubic meters (bcm) of natural gas are to be transported annually, with Turkey using 6 bcm and Europe receiving the remaining 10 bcm. TANAP's capacity is expected to reach 31 billion bcm—Nabucco's planned full capacity—in fifteen years. In June 2012, Erdoğan

and Azerbaijani President Ilham Aliyev inked the deal to launch TANAP with the first gas to flow in 2018.

Many have said that TANAP is the end of Nabucco, or at least a serious competitor to it. In response, Yıldız said that TANAP and Nabucco could easily be merged, with Azerbaijani gas added to Nabucco in Bulgaria, rather than in Georgia as was originally planned. Yıldız's expectations turned out to be correct. Two days after the agreement, the Shah Deniz gas producers' consortium announced that a shortened "Nabucco West" would take Caspian gas to Europe. Still, the final configuration of pipelines remains uncertain. TANAP may still be the "kiss of death" for the Nabucco project while breathing life into a more limited, yet far more feasible pipeline. Most likely, Nabucco West will operate only between the Bulgarian border and Baumgarten in Austria, with TANAP replacing almost two-thirds of the Nabucco pipeline project.

TANAP's only major contender is the Trans-Adriatic Pipeline (TAP), which can potentially be used to transit Stage-2 Azerbaijani gas via Greece to Italy. Only when capacity is increased after 2023 will there be a need for other suppliers. The Shah Deniz consortium will continue to negotiate with the owners of these two selected pipeline options and is expected to make its final investment decision by mid-2013. Reviving Nabucco, even in a more limited version, will be significant to Azerbaijan, Turkey, and European states. A combination of TANAP and Nabucco-West or TAP will allow for the transfer of large quantities of Azerbaijani gas to Europe.

It may also give Baku leverage in its relations with Moscow. Russia is one of Azerbaijan's biggest economic partners, and Russian purchases of Azerbaijani gas will increase in the near future. Likewise, Russia plays an important role in regional political issues that directly concern Azerbaijan (such as the Karabakh conflict and relations with Iran). The transfer of Azerbaijani gas to Europe could create an opportunity to mitigate Russian influence over Azerbaijan. The collaboration will also serve SOCAR's goal of becoming an important energy player through extensive penetration into the rapidly growing Turkish market.

The deal is also important for Turkey. A gas supply of 6 bcm a year from Azerbaijan will do much to diversify Turkish energy sources. In addition, Azerbaijani SOCAR and Turkish Turcas have agreed to build a refinery in Izmir, which can refine almost 10 million tons of oil. This will help realize the Turkish goal of becoming an energy hub.

At the same time, the prospect of moving forward with TANAP requires Ankara to play an even more delicate balancing game with Moscow. Russia remains the leading natural gas supplier of Turkey, and these projects are considered threats for Russian domination of Turkish and European energy markets. Especially since the United States is not as engaged in the Eurasian energy game in natural gas (as it was with the BTC oil pipeline), regional actors such as Turkey and Azerbaijan have to be more accommodating toward Kremlin pressures.

This is why Ankara signed an agreement with Moscow enabling Russia to transport natural gas to Europe via the planned South Stream pipeline that is to cross the Black Sea from Russia to Bulgaria via Turkey's Exclusive Economic Zone. The South

Stream pipeline will enable Russia to diversify its transfer routes and bypass Ukraine. Vladimir Putin called this agreement a “New Year’s gift” from Turkey. The agreement was signed just two days after the December 2011 signing of the TANAP memorandum of understanding. As another part of this balancing game, Turkey signed an agreement with Russia to construct its first nuclear power plant in Akkuyu, Mersin.

The latest developments in Turkish-Azerbaijani energy relations have important implications for the region. TANAP is an important opportunity for Turkey and Azerbaijan to enhance their bilateral relations and decrease their respective dependencies on Russia. At the same time, as indicated by Turkey’s recent show of support to Russia for the South Stream project (along with their new nuclear energy partnership), Ankara continues a balancing act in the region that may very well be producing dividends.

Crossing Borders, Validating Sovereignty

RUSSIA, GEORGIA, AND THE WTO

PONARS Eurasia Policy Memo No. 241

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Political scientists generally recognize the importance of international regimes, rules, and norms for understanding international interactions. Even in the absence of global enforcement, these factors arguably matter because they frame goals, expectations, and the terms of interaction among international actors. In particular, reputable studies have shown that global economic forces—such as trade—and associated institutions and norms *de facto* limit state sovereignty and help level the playing field for weaker states to interact more equitably with the “great powers.”

This memo shows how a state—particularly a large and regionally important military power—may strike back, and in more ways than using or “gaming” international institutions and norms to achieve specific policy objectives, as illustrated by political maneuvering at the UN Security Council. Such a state may use international institutions and norms on global issues such as trade—that seemingly erode state sovereignty—to assert its sovereignty and to create or legitimize sovereignty for states with disputed international status. The illustrative case study is Moscow’s official interpretation of the Russia-Georgia deal on bilateral customs administration and trade monitoring signed in late 2011 as part of Russia’s accession to the World Trade Organization (WTO) in 2012. The case study focuses on: (1) the agreement’s text, showing how it may signify the primacy of international rules and norms above state authority; (2) official Russian interpretations of the same text, showing Moscow’s view of the treaty as a tool to promote international recognition of Abkhazia’s and South Ossetia’s independence from Georgia; and (3) implications of this type of major power behavior for monitoring interstate conflict.

Free Trade: A Putative Imperative

Russia and Georgia signed the intergovernmental agreement “On the Basic Principles of the Mechanism of Custom Administration and Monitoring of Trade in Goods” in Geneva on November 9, 2011. In part, it represented Georgia’s acquiescence to Russia joining the WTO. This had been a thorny issue in Russia-Georgia relations, particularly

following the August 2008 war and Russia's recognition of the independence of Abkhazia and South Ossetia, which Tbilisi views as a foreign military occupation within its sovereign territory. Since Georgia, which became a WTO member in 2000, could veto Russia's accession to the WTO, Tbilisi held a rare card against Moscow.

An impartial analyst looking at the text of the agreement could plausibly view it as a classic case of trade giving conflicting states the incentive to downgrade or bypass contentious security issues and cooperate for mutual benefit. The agreement may be taken as evidence that the rules and norms of international trade gave Moscow and Tbilisi a focal point for cooperation despite the conflict over the sovereignty of Abkhazia and South Ossetia. Thus, according to the document:

- Russia and Georgia adhere to “the standards of the World Trade Organization with a view to making trade easier by implementing the best customs and monitoring practices.”
- Both governments express commitment to international norms favoring the lowering of tariffs and trade barriers.
- The Russian government views joining the WTO as “an opportunity for improving the transparency of its trade data in accordance with ... GATT-94” [General Agreement on Tariffs and Trade 1994 provisions] and agrees to follow WTO data-sharing procedures.*

As part of improving transparency, the Russian government agreed to provide its trade data through the WTO's Electronic Data Exchange System (EDES) and the International Monitoring System (IMS). Russia and Georgia authorized a “Private Neutral Company”—to be identified, contracted, and funded jointly by Russia and Georgia with procedures to be monitored by Switzerland—to obtain EDES data, establish a presence at trade terminals, “manage risks,” and audit reports on trade through these terminals. The two governments also agreed to invite representatives from the designated neutral company to visit the terminals and discuss their experiences and best practices to improve operations.

In addition, Russia and Georgia agreed to apply “electronic seals” and use a GPS/GPRS system “to track the movement of cargos after their passing through trade terminals into the trade corridors.” The agreement designated three such corridors between Russia and Georgia demarcated with the Universal Transverse Mercator (UTM) coordinate system.

* “Соглашение между Правительством Российской Федерации и Правительством Грузии об основных принципах механизма таможенного администрирования и мониторинга торговли товарами” [The Agreement between the Government of the Russian Federation and the Government of Georgia on the Basic Principles of Customs Administration and Monitoring of Trade in Goods], KonsultantPlus [dataset](#) in Russian.

Judging by official statements, the Georgian government interpreted the 2011 customs and trade agreement with Russia precisely as if international rules and norms constrained the potentially hostile actions of a stronger power. According to a statement by the Georgian Ministry of Foreign Affairs: “The agreement is an important achievement for Georgia as it enables...the international monitoring of trade between Russia and the whole territory of Georgia, including Abkhazia and the Tskhinvali region/South Ossetia, Georgia. The agreement reflects all elements of monitoring that Georgia has demanded since the onset of the negotiations.”* Georgian President Mikheil Saakashvili extended this line of reasoning: “...for the first time after Georgia's independence, international monitoring of the movement of goods will begin within the internationally recognized borders of Georgia.”†



The Zemo Larsi-Kazbegi border crossing point on the Georgian-Russian border will fall under one of the three “trade corridors” set to be established under the agreement. (Photo: Tea Gularidze/Civil.ge)

Turning the Tables: Sovereignty Claims for Russia’s Client States

Responses by Russian diplomat Alexander Lukashevich on December 23, 2011 to the Interfax news agency reveal Moscow’s strategy for using international rules and norms to legitimize the sovereignty of the client states that declared independence from Georgia.‡

* http://embassy.mfa.gov.ge/index.php?lang_id=ENG&sec_id=293&info_id=13070

† <http://www.cacianalyst.org/?q=node/5671>

‡ Available at www.mid.ru.

The crucial underlying point that Lukashevich made openly was that Russia signed the agreement because it “completely corresponded to the new realities in the Caucasus after August 2008.” The euphemism “new realities” implies that diplomatic agreements and international rules are secondary to the “realities” of military balances on the ground, specifically Russia’s military defeat of Georgia’s forces in South Ossetia and Abkhazia, the stationing of over 7,000 Russian troops in these territories, and the arrangement of Abkhazia and South Ossetia with Russia to have Russian troops guard their de facto borders with Georgia the same way they protect the borders of the Russian Federation.

Having laid down this conceptual foundation, Lukashevich developed arguments that Russia’s 2011 agreement with Georgia de jure endorsed Abkhazia’s and South Ossetia’s claims to independence and sovereignty.

- The first specific point Lukashevich argued was that the agreement covers only “regional trade” and does not cover “non-trade shipments” – meaning shipments and deployment of Russia’s military equipment in South Ossetia and Abkhazia. This statement also signals that the Kremlin may declare the whole deal invalid if Georgia demands that Russia report its military shipments to these regions using WTO trade monitoring standards and procedures.
- The second point concerned the location of border crossings or “corridors” between Russia and Georgia. Lukashevich emphasized that the treaty established two such corridors through Abkhazia and South Ossetia with Russian terminals in Adler and Nizhniy Zaramag and Georgia’s terminals on the left bank of the Inguri river and north of the town of Gori. Trade flows between these terminals will have to cross Abkhazia and South Ossetia, respectively. This means, according to the Russian foreign ministry, that Russia will report its trade with Abkhazia and South Ossetia under WTO rules and procedures as international trade, separately and on par with its trade with Georgia. According to Lukashevich, compliance with WTO procedures—including provision of trade statistics to EDES and IMS—will thus become “an important attribute of Abkhazia and South Ossetia as independent customs-control territories and of the status of their borders with Georgia as customs borders analogous to the Russian-Georgian border with its crossing at Verkhniy Lars-Kazbegi,” where Russia and Georgia border directly, not through areas with disputed sovereignty status.
- Lukashevich also argued that by signing the 2011 agreement Tbilisi both invalidated Georgia’s law on occupied territories that declares direct international travel and shipments to Abkhazia and South Ossetia as illegal and abrogated, in international legal terms, its earlier stated right

to restore Georgia's border terminals with Russia at the Psou river (Abkhazia) and Roki Tunnel (South Ossetia).

Another dimension of Moscow's position that Lukashevich articulated is that Russia does not see the 2011 treaty with Georgia as weakening its sovereign rights vis-à-vis international institutions or impose obligations on Abkhazian and South Ossetian authorities to make trade through their territories transparent.

- Lukashevich noted that Russia's obligation under the agreement to provide trade data from its terminals with Georgia to a "neutral third party" does not give the latter access rights to the data. The Russian government, Lukashevich noted, would act on the basis of Russia's customs rules and norms determining the data it provides. Moreover, Lukashevich emphasized that any data provided to the neutral third party is confidential and thus will not be available to Tbilisi if Moscow restricts it.*
- While the "neutral third party" could give recommendations to Russian customs officials on "best practices," it has no right, according to Lukashevich, to "interfere with the work" of Russia's customs agencies.
- The agreement's provision for electronic tagging and GPS tracking of shipments, Lukashevich stated, does not imply that "Russia or Georgia could be held responsible for these tags to be operational on the territory of Abkhazia and South Ossetia, since these states are not party to the aforementioned agreement."

Significant Implications

Russia's interpretations of the 2011 customs and trade agreement with Georgia first and foremost mean that Moscow does not see its accession to WTO—including Georgia's non-use of its veto power to block it—as constraining its right to use military power against Georgia. The signing of the treaty, in fact, validates the calculus that international rules and norms would ultimately adjust to "realities" on the ground and that the latter are determined by military power. Russia's military threat to Georgia's sovereignty remains unchanged after Russia's accession to WTO.

Secondly, comments by Russia's Ministry of Foreign Affairs show that WTO accession enhances Moscow's capacity to plausibly deny hostile motivations toward or

* The treaty itself only requires provision of basic trade data to the WTO datasets—number of customs declaration, exporter/importer names, countries of origin and destination, exit/entry terminals, identification of the means of transportation crossing the border, description of goods, their designated currency and cost, shipment weight, procedure code, and the list of validating documents including certificates and permissions.

intent to use military power against other states, such as Georgia, by couching its arguments in technocratic international-legal terms. The Russian government has followed the same logic elsewhere, arguing that its shipment of military helicopters to the Syrian government was due to an earlier business contract and not part of a policy to help Bashar Assad's regime brutally suppress its opponents.

Thirdly, these interpretations mean that Moscow, regardless of its stated adherence to free trade ideals, is likely to exploit other WTO rules unilaterally—in particular, to argue that its import ban on Georgian wine and mineral water, Georgia's big export revenue earners, is legitimate, as it is based on an official Russian determination that these products are unsanitary. Russia could use WTO health exemptions to require Georgia to prove that it meets the environmental standards of other countries from which Russia imports wine and water.* This position is likely to endure at least as long as Vladimir Putin is interested in weakening Georgia's economy in the hope of opening up the prospect of Georgia's pro-Western government being replaced by one favoring closer integration with Russia and the Eurasian Union over NATO and the European Union.

* [*WTO and Public Health: A Joint Study by WHO and WTO Secretariat*](#), 2002, p. 30.

Coercion in Action

DETERRENCE AND COMPELLENCE IN THE NAGORNO-KARABAKH CONFLICT

PONARS Eurasia Policy Memo No. 242

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From both academic and policy perspectives, the current situation surrounding the Nagorno-Karabakh conflict provides an instructive case study in the role of coercion in ethno-political conflict. In the current status quo of “no peace, no war,” coercive policies are—and will be—heavily utilized, both in negotiations and in efforts to influence opponents and external actors.

According to traditional security studies approaches, coercion consists of two main paradigms: *deterrence* and *compellence*. In one of my previous memos, I examined ways in which Armenia implements deterrence strategies in the Karabakh conflict.* In this memo, I analyze the compellence strategy Azerbaijan has implemented. This study also includes a comparative analysis of the interaction between the two main types of coercion. It argues that compellence, in comparison to deterrence, has a more complicated theoretical structure and implementation mechanism, which makes its practical realization more difficult.

The Interaction Between Deterrence and Compellence

The two main elements of coercion, “defensive” (deterrence) and “offensive” (compellence), are distinguished less by their quantitative and qualitative military, political, and economic parameters than by their differing main goals: whether to preserve or change the status quo. Deterrence is typically a strategy of preservation, while compellence is a strategy for change.

In contrast to deterrence, compellence still lacks a solid theoretical base and requires conceptual improvement. It remains in the shadow of deterrence, even if it received a new lease on life in the aftermath of the Cold War, when it seemed that classical deterrence methods based on bipolar confrontation between nuclear powers

* Sergey Minasyan, “The Quest for Stability in the Karabakh Conflict: Conventional Deterrence and Political Containment,” PONARS Eurasia [Policy Memo No.188](#), George Washington University (September 2011).

had lost their relevance. For a time, this gave way to new conceptions within security studies focused more on conventional deterrence and compellence. Nonetheless, compellence has yet to receive a thorough satisfactory treatment.

Besides its approach to the status quo, another important factor distinguishing compellence from deterrence is a difference in approach toward the passage of time and the initiation of action. Deterrence implies a “passive approach” with no fixed timeframe, with the main (and frequently only) condition being that the deterrer’s opponent abstain from a particular unacceptable step. While threatening grave consequences if the opponent were to take that step, the deterrer shows a willingness to wait indefinitely, leaving the burden of responsibility for future developments on its opponent.

In comparison, compellence constitutes active political-military conduct, aimed at persuading an opponent to alter the status quo through the threat of force. Compellence requires permanent and constant initiative. A compeller’s threats persist until its opponent makes concessions or annuls previous actions. To be maximally effective, compellence needs a deadline, after which the compeller should be prepared to use force. Importantly, open military violence is not the main aim of compellence. As economist and strategist Thomas Schelling famously asserted, “successful threats are those that do not have to be carried out.” This means that the compeller’s threat must be credible..

At different stages of conflict, the same actor can employ strategies of deterrence and compellence. Prior to the establishment of a ceasefire in 1994, for example, Armenia relied mainly on a strategy of compellence in the Karabakh conflict. However, Armenia now favors deterrence. The same side can also simultaneously implement deterrence and compellence toward different actors. For instance, Armenia implements a deterrence strategy toward Azerbaijan and, simultaneously, a compellence strategy toward Turkey, seeking to force Ankara to recognize the 1915 genocide and to deter any direct Turkish involvement in the Karabakh conflict.*

By default, the implementation and functioning of compellence is more difficult than deterrence. In principle, a deterrence strategy in a given context can only fail once -- when the deterrer’s opponent decides to carry out an undesirable step, like launching military action. In the case of compellence, there exist two clear indicators of failure. The first is if the compeller’s opponent does not concede. The second is if the compeller ends up using force.

Another important feature of compellence that makes it more complicated to implement is the different politico-psychological nature it confronts. As one RAND study noted:

* For more on genocide recognition as an asymmetrical political resource, see Alexander Iskandaryan and Sergey Minasyan, “Pragmatic Policies vs. Historical Constraints: Analyzing Armenia-Turkey Relations,” *Caucasus Institute Research Papers* 1, January 2010.

It is usually easier to make a potential aggressor decide not to attack in the first place than it is to cause the same aggressor to call off the attack once it is on the way for a variety of fairly obvious reasons such as the political and psychological cost of reversing a policy after it is publicly announced.*

In a compellence framework, this translates into the fact that it is easier for an actor to abstain from unrealized intentions under the threat of imminent loss than to abandon results it has already achieved even under the threat of severe consequences. According to political scientist Patrick Morgan, “using force to maintain the status quo often seems psychologically more legitimate (to observers and involved parties) than trying to change it.”

The Practice of Compellence: Does it Work in the Karabakh Conflict?

Developing the fundamentals of coercion, political scientist Thomas Schelling focused mainly on U.S. compellence strategy toward North Vietnam, in particular the gradual escalation of military threats that reached the level of strategic bombing by the U.S. Air Force. Nonetheless, his classic work fails to explain why this strategy did not ultimately lead to the success of compellence and even dragged the United States into full-scale war.

In this respect, one of the most vulnerable aspects of compellence is its reliance on the credibility of the threat of force. In doing so, it underestimates variation in opponents’ “pain thresholds,” which makes it impossible to rely solely on quantitative parameters of power and the compeller’s will.

An analysis of Azerbaijani officials’ public statements suggests that the military-political leadership of Azerbaijan appears not to take seriously the higher “pain threshold” of Armenia and Nagorno-Karabakh, even if the entire dynamic of the two-decade-long conflict should have convinced them of this. This leads to the Azerbaijani government’s illusory belief that compellence can succeed, when in fact it threatens to lead to a failure (an inability to get Armenia and Nagorno-Karabakh to change policy).

Alongside consideration of variable “pain thresholds,” it is also necessary to expand consideration of the military balance. Just as third parties can play a role in deterrence by offering protection to allies (“extended deterrence”), they can also play a role in minimizing compellence threats. In the case of the Karabakh conflict, the initiation of an arms race based on oil and gas revenues is an important element of Azerbaijan’s compellence strategy. However, the Azerbaijani-Armenian military balance does not only depend on the conflicting sides’ own capacity to arm, but also on the involvement of an influential external actor, Russia, that provides preferential weapons transfers to Armenia.

* David E. Johnson, Karl P. Mueller, William H. V. Taft, *Conventional Coercion Across the Spectrum of Operation: The Utility of U.S. Military Forces in the Emerging Security Environment* (RAND), 2002, 14.

Moreover, while military balance is important, it is only one of many elements of an effective deterrence or compellence strategy. Indeed, a balance of motivations/interests tends to play a more significant role. In a study of the Cuban missile crisis, political scientist Richard Ned Lebow has shown that:

The military balance was not the determining factor of either resolution or the crisis outcome. Kennedy's choice of the blockade over the air strike, Khrushchev's decision to withdraw the missiles, and Kennedy's willingness to withdraw the Jupiters reflected their political values and estimates of the risks and the cost of escalation. Leaders with different values or conceptions of the feasibility of military action would have made different choices.

Indeed, as in asymmetric conflict, a strategy of compellence can fall flat against a quantitatively inferior opponent that has a higher motivation to achieve its goals. Asymmetries of power and motivation are often even interrelated. As political scientist Ivan Arreguin-Toft has argued:

Power asymmetry explains interest asymmetry.... Strong actors have a lower interest in winning because their survival is not at stake. Weak actors on the other hand have a high interest in winning because only victory ensures their survival.

Despite the many difficulties of implementing a strategy of compellence, however, it should not be thought of as a fundamentally weaker strategy than deterrence. While compellence may be difficult to realize, it also has its advantages. An actor that implements a compellence strategy secures the luxury of controlling the degree and duration of propagandistic rhetoric. In the case of the Karabakh conflict, the Azerbaijani leadership has been unable to reach its goals for two decades via a policy of compellence. But its claims that Azerbaijan will sooner or later carry out its threats, surely and inevitably, allows the leadership to preserve its political reputation in both domestic affairs and the international arena.

A strategy of compellence also *a priori* creates a psychologically and politically more comfortable context regarding the threat of war. It is much more pleasant for Azerbaijani elites to consider the possibility of a new war in Karabakh as something that depends on them, rather than for Armenians in Karabakh to feel under constant threat. The Azerbaijani leadership permanently threatens new hostilities, with visible satisfaction, exploiting the opportunity provided by the peculiarities of compellence.*

* In an interview to Turkish television in March 2012, Azerbaijani President Ilham Aliyev stated that if Armenia abandons its position, then it would be possible for Armenians to live in Nagorno-Karabakh in safety. After that, he added: "However, now they live in fear. We know that. People cannot always live in fear. As they are also well aware that today the Azerbaijani army can easily restore the country's sovereignty in Nagorno-Karabakh. Easily!", "Azerbaijani President Says Armenian Leadership Must

An important element in Azerbaijan's strategy of compellence is the permanent maintenance of tension along the front line. Calls from the international community to cease hostile incidents that lead to pointless casualties and to withdraw snipers from the line of contact remain unanswered. Azerbaijan has reason not to ratchet down tensions, as its compellence strategy would then lose credibility. Only the presence of permanent clashes along the line of contact and Azerbaijan's border with Armenia allows the long unrealized threats of Baku to be taken seriously.*

A strategy of compellence also has some room for flexibility. As Richard Ned Lebow has put it, "threats in case of proposal rejection and rewards if agreed." A more positive dimension of compellence has proven effective in many cases, including U.S. policy in Central America, Latin America, and the Asia-Pacific region. It has not come to fruition in the case of Karabakh, however. Offering rewards to Karabakh Armenians in exchange for their willingness to change the status quo could be a significant component of Azerbaijan's compellence strategy. This, however, would require serious political courage from the Azerbaijani leadership. Shifting emphasis toward the positive side of compellence, to include identification of possible compromises, holds some risk for the leadership of Azerbaijan. Aside from domestic reputation losses, it would significantly weaken the potential for a successful compellence strategy if Baku were to decide it had to return to issuing threats of war.

Conclusion

The reason for the continuing inefficiency of compellence in the Karabakh conflict is not only its theoretical vulnerability as a strategy. Of course, to force an opponent to surrender what it already holds is much more difficult than keeping an opponent from making a move under the threat of retaliation. However, two decades of maximalism have also driven the sides into a trap of high expectations and limited flexibility, particularly with regard to the issuance of positive proposals within a strategy of compellence.

Strategies of both compellence and deterrence have been implemented in the Karabakh conflict since it began, while attempts to analyze the phenomena are fairly new. The subject of coercion requires more theoretical attention, which in turn is necessary for developing more practical recommendations.

Approach Nagorno-Karabakh Conflict in the Light of Reality," *Trend*, March 3, 2012, <http://en.trend.az/news/politics/1999533.html>.

* During the meeting with the OSCE Chairman-in-Office, Irish Foreign Minister Eamon Gilmore, on June 13, 2012, his Azerbaijani colleague Elmar Mammadyarov rejected the mechanism to investigate the incidents on the contact line and to withdraw snipers, arguing: "if we start applying that mechanism now that will only mean reinforcing the status quo." See more: <http://asbarez.com/103627/baku-rejects-sniper-withdrawal/>, June 14, 2012.

The Politics of Foreign Intrigue in the Caucasus

PONARS Eurasia Policy Memo No. 243

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The South Caucasus has inherited deeply ingrained historical narratives of being a pawn in games of geopolitical intrigue, from the Persian-Russian wars of the early 19th century, to the region's forcible incorporation into the Soviet Union in 1921, to the Russia-Georgia War of 2008. In today's Georgia, Armenia, and Azerbaijan, issues of national identity, territorial control, and geopolitical alignment remain unresolved while contemporary great powers still seek to advance their interests in the region. It is therefore unsurprising that leaders frequently invoke hostile foreign powers as an explanation for national and personal insecurities.

It is difficult to know whether the surrounding great powers in fact actively meddle in nearby smaller states in games of international intrigue. But we do know that the *idea* of external meddling in these states is a major theme in domestic politics and that it follows a common script: Side A accuses side B of being in league with a malevolent outside power, while side B accuses side A of contriving threats and staging provocations to mask its own failings. The result is a mainstream politics of conspiracy, in which people are encouraged to believe that the adversaries of their favored leader are intent on selling out the country's interests. This dynamic complicates managing foreign relations by infusing ordinary decisions with the weight of national survival, enables politicians to evade accountability for bad behavior, and, by delegitimizing political rivals, forecloses debate about serious issues.

The Importance of Being Imperialist

When politicians invoke external scapegoats, they appeal to the public's desire to identify as victims and to locate a concrete source of their problems. If successful, such claims can strengthen the public's resolve and encourage collective action for difficult undertakings, such as mobilization for war or endurance in times of deprivation. But they can also distract the public from scrutiny of unpopular regimes and unethical actions.

Recourse to external conspiracy claims is especially common among imperiled failed leaders of weak states. African leaders invoked their former colonial powers to

explain away rampant corruption and lackluster growth. In the Middle East, Arab nationalism in the 1950s was sold as a way to strengthen the region against Western meddling. More recently, the imperiled Iranian regime accused those protesting against the fraudulent 2009 elections of being British agents. Finally, the presidents of Libya, Egypt, and Syria during the 2011-12 Arab uprisings laid the blame on the United States and Israel, tried and true agents of subversion.

The Soviet Union has a long history of accusing the United States and other “imperialists” of complicity in subversion, “wrecking,” and other transgressions. Indeed, during the Cold War the United States *was* guilty of sponsoring a number of plots that legitimately qualify as conspiracies, including attempts to assassinate Fidel Castro and the deposition of democratically elected leaders in Congo, Iran, and Guatemala. Of course, nothing prevented Soviet leaders from scapegoating the United States whenever such accusations were in their interest, even when the United States was not involved. It was therefore not surprising that, when Russia’s relations with the United States deteriorated, President Vladimir Putin accused the United States of meddling to Russia’s detriment, most notably in 2004, when he alleged that the CIA had engineered the color revolutions in Georgia and Ukraine; and in 2011, when he accused Hillary Clinton of sponsoring anti-Putin protests. While such charges may seem outlandish in the West, post-Soviet publics are a receptive audience for conspiracy theories.*

Just as Russia uses the idea of American perfidy to its advantage, smaller post-Soviet states find it advantageous to make Russia the *bête noir* of their own politics, reflecting a nestled *matrioshka* configuration of foreign intrigue. In fact, the South Caucasus states represent a perfect storm for a politics of foreign intrigue, as they are a historical object of affection, suffer from a legacy of extreme distrust of the state, and have leaders who often lack legitimacy.

Russia on Georgia’s Mind

The value of malevolent foreign powers in domestic politics is nowhere better illustrated than in Georgia. The troubled relationship between Russian President Putin and Georgian President Mikheil Saakashvili is well known and need not be recounted here. Suffice it to say that one of the roots of their mutual dislike was Saakashvili’s deliberate realignment with the West, in particular the United States, after the 2003 Rose Revolution. This move had widespread support among the Georgian public, as it was identified with Saakashvili’s popular modernization and anti-corruption drive. Over the ensuing years, the looming Russian threat—which Saakashvili helped provoke—proved useful to him when opposition to his policies emerged.

The November 2007 protests were the first serious street demonstrations Saakashvili faced after the Rose Revolution. He reacted by insinuating a Russian conspiracy, claiming that “dark forces” were responsible and that “we know that

* Steven Lee Myers, “There’s a Reason Russians are Paranoid,” *New York Times*, December 3, 2006. Of course, Americans are quite prone to believe their own conspiracy theories.

alternative government has already been set up in Moscow.”* Soon after, he expelled three Russian diplomats on the charge that they had arranged a meeting of Georgian oppositionists with Russian counter-intelligence agents. The specter of Russia had become a lifeline for Saakashvili when his political fortunes were down.

In Saakashvili’s defense, Russia conspiracists had circumstantial evidence on their side. Among them was credible evidence of provocative Russian actions in the lead-up to the Russia-Georgia War, including blowing up a gas pipeline, spying, assisting rebels in the Kodori Gorge, and shooting down a Georgian spy plane. Russia’s actions in the near abroad also suggested a willingness to meddle in the politics of sovereign states. In 2004, Putin openly supported Viktor Yanukovych in Ukraine’s presidential election and provided financial and technical assistance; Kremlin operatives were assumed to be behind his opponent’s poisoning. Russia has also been accused of engineering the 2010 uprising in Kyrgyzstan that overthrew President Kurmanbek Bakiyev after the latter reneged on a deal to shut down the U.S. Transit Center near Bishkek. This, plus Putin’s stated policy of regime change in Georgia, gave conspiracy theories an air of credibility, even if proof was lacking.

But Saakashvili may have overplayed his hand, as actions taken against the putative Russian bogeyman appeared to many observers as authoritarian overreach. Thus, after his old ally Nino Burjanadze emerged as one of the focal points of the opposition by forming a new party in 2008, Saakashvili’s government cracked down under the pretext of a defending against a Russia plot. In March 2009, shortly before a planned protest organized by Burjanadze, the Interior Ministry arrested 10 activists from her party who were charged with illegal weapons purchases. In 2011, a warrant was put out for her husband’s arrest on dubious charges. In July 2011, four photographers were charged with spying for Russia but were later released after an international outcry.

The possibility of Saakashvili’s overreach in demonizing Russia gave the opposition an opening. Immediately after the war, when the population was more unified, rapprochement with Russia was taboo. But after some time, the opposition could argue that its pragmatic approach could better secure Georgian stability. By promising to work with Russia to resolve the conflicts in Abkhazia and South Ossetia, politicians such as Burjanadze and former prime minister Zurab Noghaideli offered a pragmatic alternative to a citizenry that may have grown tired of Saakashvili’s adventurism.

A more serious threat to Saakashvili and his legacy presented the president with an easy target for insinuation. Bidzina (aka Boris) Ivanishvili, a billionaire who earned his wealth from metals and banking in Russia, returned to Georgia in 2004 and announced in 2011 that his Georgian Dream party would compete in 2012 parliamentary elections. Saakashvili, whose party accused Ivanishvili of promoting Russia’s interests, stripped him of his Georgian citizenship on a technicality, preventing him from holding political office. In May 2012, the Georgian parliament made a last-minute fix that would allow Ivanishvili to run despite not being a citizen, thus allowing the ruling party to

* “Saakashvili Makes a Statement,” Civil Georgia, Nov 7, 2007.

avoid further international outcry while appearing to stand on principle. As the 2012-13 election cycle ramps up, the question of who represents Georgia's (or Russia's) national interests is a combustible issue. Should a member of Georgian Dream win the presidency, we can expect the slightest move toward reconciliation with Russia to be met with charges of selling out Georgia's sovereignty and seeking to restore the Soviet Union. Likewise, we can expect the new government to brand all opposition remonstrations against a more nuanced foreign policy as CIA or neoconservative subversion.

Let Baijans be Baijans?

Azerbaijan also finds itself in the midst of a geopolitical game, real or imagined, and even though it has not held a free and fair election in its recent history, the politics of foreign intrigue are salient there too. Besides its primary rival Armenia, Russia also earns its share of scorn, as few Azeris believe Russia is actually interested in resolving the conflict and many believe Russia actively works to prolong it.* Unlike in Georgia, where the opposition has gained some favor by advocating a pragmatic approach toward Russia, in Azerbaijan the opposition sees no advantage in appealing for moderation due to the emotions associated with the Karabakh War. On the contrary, opposition politicians have sought to outflank the regime on nationalist appeals, advocating for war with Armenia to recover the territories.

Recently, Azerbaijan has acquired a new *bête noir*—Iran. This rivalry defies conventional wisdom, as both countries are Shiite. Their mutual dislike stems from two causes. First, Azeri nationalists claim the territory of northern Azerbaijan, which is inhabited by (mostly assimilated) ethnic Azeris. In 1946, Azeri intellectuals urged the Soviet Union to occupy northern Iran in vain, as the United States and Britain threatened military intervention, one of the events that precipitated the start of the Cold War. There continues to be revanchist sentiment in Azerbaijan to recover Tabriz, or “southern Azerbaijan.” Second, the staunchly secular Azeri government fears the spread of radical Shia Islam from Iran. The government closely monitors religious practice and uses heavy-handed methods against perceived extremists. An aggravating factor is Azerbaijan's close relationship with Israel, which sells Azerbaijan military hardware and buys its oil. Israeli leaders have made several high-profile visits to Azerbaijan, and recent reports allege that Azerbaijan is allowing Israelis use of a military base that could assist in a bombing campaign against Iran.

As the West has put pressure on Iran over its nuclear program and rumors abound of a preventive Israeli strike, Azerbaijan has been drawn into the intrigue. Both Iran and Azerbaijan have claimed to uncover plots hatched by the other side, in tit-for-tat salvos reminiscent of the Russia-Great Britain diplomatic spat of 2006. Both countries have aired videotaped “confessions” by purported spies on television. Whether or not the Iranian threat is real—and similar plots revealed in Georgia, Thailand, and India

* See Anar Valiyev, “Neither Friend Nor Foe: Azerbaijanis' Perceptions of Russia,” PONARS Eurasia [Policy Memo No. 147](#), George Washington University (May 2011).

lend credence to the accusation that it is—the Azerbaijani regime has hastened to use the threat as a pretext to weaken domestic Islamists.

It is ironic that Azerbaijan, alone among Muslim states, celebrates what other regimes are ominously accused of doing—collaborating closely with Israel. While this relationship is a strategic and economic boon to the Azerbaijani government, the decision could come back to haunt it. Like in Georgia, the regime's domestic legitimacy is linked conceptually in the public's mind with its foreign policy. Just as the regime has used the specter of Iranian intrigue to crack down on domestic opponents, the relationship with Israel could be exploited by opposition Islamist movements seeking to delegitimize the regime. Even the secular opposition, which has no grievances against Israel, might find it useful to demonize Israel if such an appeal could boost its domestic standing. This strategy would be most likely to bear fruit if the military alliance were to pull the country into an unnecessary foreign entanglement (with Iran) just as Saakashvili's alliances, although popular, led to destabilizing follies (with Russia) that emboldened his domestic opponents.

Conclusion

In one sense, the politics of foreign intrigue in the South Caucasus is perfectly natural and possibly even healthy. As there are few genuine ideological differences among factions in most post-Soviet states, foreign orientation may be the only meaningful policy issue that is widely discussed and may give the public a reason to engage in politics. Accusations of government perfidy can offer oppositions some much-needed leverage in a lopsided game in which the president's party controls all three branches of government, as in the South Caucasus.

But there are two caveats that underline the downside risk of intrigue-based politics to governance and stability. First, the intense focus on foreign alignments crowds out debate on important domestic issues. Politics becomes a farce in which people criticize their opponents on the basis of trying to destroy the country. Some governments prefer it this way, so as to distract people's attention from their malfeasance and domestic failings. But as a result, politics becomes a winner-take-all struggle for the nation's future existence, leaving little room for mobilization around less dire but still important political issues that are critical for these young states to address.

Second, in order to get people's attention in environments where conspiracies are the background noise, politicians must make their allegations increasingly strident and outlandish. This, in turn, might polarize politics along an axis based on foreign orientation, potentially pushing the opposition (anti-Saakashvili activists, Islamists) into the arms of the external meddler (Russia, Iran) to which it was (initially) falsely linked, in a self-fulfilling prophecy. Such a dynamic could work to the advantage of foreign powers that actually have designs on the weaker state.

Azerbaijan-Iran Relations: Quo Vadis, Baku?

PONARS Eurasia Policy Memo No. 244

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Azerbaijani-Iranian relations are among the most complicated in the region, having experienced radical transformations over the last 20 years. Cordial friends and brotherly nations at the end of the Cold War, Baku and Tehran almost engaged in armed conflict a decade later and relations have since remained tense.

Several factors underlie the relations between the two states. The first is the presence in Iran of a 22-30 million strong Azerbaijani ethnic minority, the largest in the country. Ever since Azerbaijan's independence, Iran has been suspicious that Baku might use the ethnic card to pressure Iran. Second, the secular nature of Azerbaijan's regime annoys Tehran. Azerbaijan continues to be a model of development not only for Iranian Azerbaijanis but also for other ethnicities. About 40,000 Iranians cross the Azerbaijani-Iranian border during the Novruz holidays in March to celebrate the holiday in a secular state. Moreover, Tehran considers Azerbaijani soft power, including its music, films, and lifestyle, to be dangerous. It is not surprising that the Eurovision song contest held in Baku in May 2012 frustrated Iran and led to the recalling of the Iranian ambassador from Baku for the duration of the contest. Last but not least are Iran's constant attempts, sometimes successful, to establish a pro-Iranian support base in Azerbaijan. The activities of the Islamic Party of Azerbaijan and numerous protests by Iranian-backed religious youth are vivid examples of Iranian attempts to exert influence in Azerbaijan's public sphere. Despite the fact that Baku has successfully thwarted attempts by pro-Iranian groups to increase their role in Azerbaijani politics, these efforts have slowly been on the rise. What is the deeper nature of the relationship between the two states and what does the future hold?

History that Matters

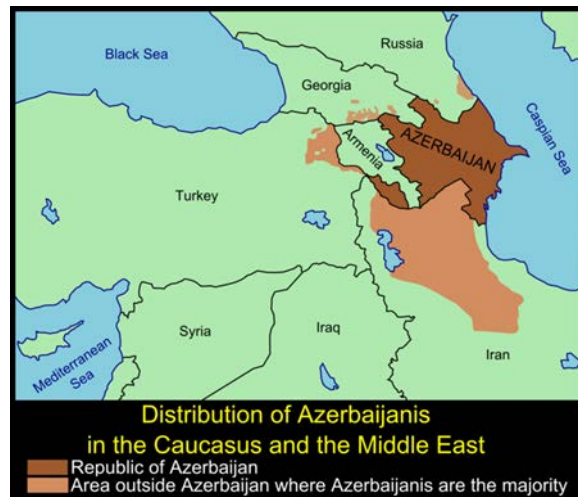
In order to understand contemporary relations between the two states, we should first consider certain historical memories that have shaped perceptions in both states. To begin with, many Iranians consider Russia's conquest of Azerbaijani principalities (*khanates*) from 1813 to 1828 as an historical tragedy. Many Iranians still consider "northern" Azerbaijan to be an historical province of Iran. From the other side, many Azerbaijanis look at Iran as a prison in which millions of their brethren are deprived the

right to use their own language. Second, Iranian elites remember the events of World War II and its aftermath, when an independent Azerbaijani People's Government, headed by Jafar Pishevari, was established in northern Iran (those in Baku call it southern Azerbaijan). The government ceased to exist after Soviet troops withdrew from Iran and halted assistance to the Pishevari government. The young republic was crushed, and thousands fled to Soviet Azerbaijan.* These events had very strong implications for Iranian governments since. All of them have tried to quell any political movement stemming from the Azerbaijani areas of Iran. At the same time, Azerbaijanis have played significant or even major roles in all of Iran's revolutions, including the 1979 Islamic Revolution.

During the early years of Azerbaijan's post-Soviet independence movement, Baku considered Tehran a natural ally. This stemmed from Ayatollah Khomeini's statement condemning the Soviet Army invasion of Baku in January 1990, the return of Azerbaijanis to their (mostly Shi'a) Islamic roots, the opening of borders, and Iranian humanitarian assistance—all this made Tehran a hero in the eyes of average Azerbaijanis. Portraits of Khomeini even occasionally appeared at mass rallies in Baku.

All this changed during the rule of the second president of Azerbaijan, Abulfaz Elchibey. Proclaiming a Western orientation and accusing Iran of violating the rights of Azerbaijanis in Iran, he alienated the Iranian establishment. Iranians, in turn, supported Azerbaijan's rival, Armenia, providing fuel and economic assistance critical to Yerevan's victory in the Karabakh war.

Since 1993, relations between Azerbaijan and Iran have fluctuated. However, neither side risked crossing the point of no return and refrained from harsh actions. This changed in 2001, when Iranian military ships threatened an Azerbaijani geophysical vessel, preventing it from conducting seismic works at an oil field in the Caspian that Iran also claimed. A tense time ensued. Iranian planes constantly violated Azerbaijani airspace, but this stopped after strong statements from the Turkish military and demonstrative exercises by the Turkish air force over the Caspian Sea. Azerbaijan-Iran relations returned to their usual mode, with sporadic accusations, arrests of Islamists in Baku, and demonstrative Iranian cooperation with Armenia.†



* For more on these events, see Jamil Hasanli, *At the Dawn of the Cold War: The Soviet-American Crisis over Iranian Azerbaijan, 1941-1946*, Rowman & Littlefield, 2006.

† Iranians made several attempts to launch joint ventures with Armenia in Nagorno-Karabakh and the occupied territories around it. Only after decisive protests from Azerbaijan did Iranians reverse their decisions.

Negatively Neutral Relations

Looking at the development of both states over the last 20 years, we could characterize their relations as “negatively neutral,” whereby both states have consciously tried not to provoke each other. For instance, Azerbaijan toned down its cooperation with Israel and did not join in criticizing the Iranian nuclear program, while Iran stopped irritating Azerbaijan with attempts to cooperate with Armenia in Karabakh and supported Azerbaijan’s territorial integrity. Both political establishments sporadically engaged in mutual accusations but relations later returned to “normal.” Economic development also showed some capriciousness. Up until 2007, trade turnover increased every year, reaching \$539 million. However, it dropped precipitously to \$168 million in 2009, mainly due to a significant decrease in Azerbaijani oil exports to Iran. Trade turnover increased again to \$304 million in 2011, on the basis of increased Azerbaijani gas exports.

Since 2011, however, relations between Tehran and Baku have again deteriorated. Surprisingly, Azerbaijan was the main catalyst for this. If Baku tried not to irritate Iran before, now it began to behave more boldly. In February, regional media reported that Azerbaijan had purchased \$1.6 billion worth of Israeli weapons, including unmanned aerial vehicles and drones. Baku tried not to disclose this deal but eventually confirmed it. Subsequently, Baku dispatched Defense Minister Safar Abiyev to Tehran with assurances that the Israeli arms purchases were directed not against Iran but Armenia. However, certain weapons could not be intended for use against Armenia. Anti-ship missiles, for instance, could only be used by Azerbaijan in the Caspian Sea. The S-300 anti-missile system purchased from Russia last year could hardly be used against Armenia either.*

It has thus become clear that Azerbaijan is intensively preparing for a possible conflict with Iran. Baku fears that in case of a U.S. or Israeli attack against Iran, the latter might retaliate against their partners in the region. Azerbaijan’s military capabilities are still insufficient to withstand an Iranian invasion, but they would be enough to inflict serious damage or neutralize Iranian aviation or maritime forces. Furthermore, the United States has shown interest in strengthening Azerbaijan’s military capacities. For example, the Caspian Guard program launched by the United States in 2003 helped Azerbaijan (and Kazakhstan) to build naval security forces to protect critical infrastructure as well as to prevent illegal trafficking and smuggling in the Caspian. Local experts believe that due to fierce U.S. Congressional opposition to arms sales to Azerbaijan, the U.S. government did not oppose the arms deal between Azerbaijan and Israel.

Azerbaijani-Iranian relations again worsened when, a few months after the Azerbaijan-Israel arms deal was revealed, it was reported that Israel had obtained access to airbases in Azerbaijan from which it could conduct bombing operations against Iran. The reporting was based on inside information received from anonymous U.S.

* In case the Karabakh conflict resumes, it seems unlikely that Armenia would use military jets or missiles against Azerbaijan, as this would be considered a direct act of aggression against the latter. Karabakh forces, for their part, do not possess any helicopters, planes, or missiles that could threaten Azerbaijan’s vital infrastructure.

diplomatic and military intelligence officers. However, Azerbaijani military and civil officials dismissed such claims. Indeed, such a move by Azerbaijan would be suicidal. If Israel were to attack Iranian nuclear facilities from Azerbaijani territory, Baku would face the brunt of an Iranian retaliatory strike. Azerbaijan's military capacity would not be enough to protect the country's critical infrastructure. Moreover, even though the sympathies of Iranian Azerbaijanis do not lie with the Iranian establishment, they would perceive any actions by Baku to enable Western or Israeli bombing of Iran as a betrayal by their ethnic kin. Last but not least, Azerbaijan's constitution and military doctrine prevent foreign bases or forces on its territory. Although the rumors were dismissed, this did not help improve relations with Iran.

At the height of these events, Azerbaijan's State Border Service (SBS) successfully completed tactical exercises in the Azerbaijani sector of the Caspian Sea which again underlined a focus on the potential for conflict with Iran. This was not the first time Azerbaijan conducted military exercises in the Caspian Sea. However, the character of these exercises suggests that Azerbaijan is seriously worried about the security of its vital infrastructure in the Caspian. The exercises involved around 1,200 marines, 21 ships, 20 speedboats, and 8 helicopters. The marines practiced neutralizing a conventional terrorist group. The group was eliminated with the help of the *Igla* anti-aircraft missile system, which suggested that the terrorist group was using a helicopter or other kind of aircraft. Another exercise practiced detecting and destroying an enemy submarine. Considering the fact that the Caspian Sea is a landlocked basin, it is hard to imagine terrorist groups arriving to the region with helicopters, ships, and submarines. It is also worth mentioning that the Iranian navy recently formed a new division with responsibility for the Caspian Sea that is equipped with speedboats, a small torpedo-armed submarine, and mini-submarines used for intelligence gathering and subversive actions.

Meanwhile, the growing influence of pro-Iranian groups in Azerbaijan has Baku worried. In 2011, law enforcement agencies jailed the head and seven other members of the Islamic Party of Azerbaijan. Analysts argued that the party was a "fifth column," which Tehran could use to stir up the domestic situation. In March 2012, Azerbaijani security services arrested 22 individuals accused of conducting espionage against Azerbaijan. These individuals were allegedly given special instructions by Iran's Islamic Revolutionary Guard to collect information on certain embassies in Baku, including the Israeli embassy. The arrests coincided with news of an alleged Iranian bomb attack against Israeli diplomats in New Delhi and another thwarted bomb attack on an Israeli Embassy car in Tbilisi. Iran previously has also accused Azerbaijan of assisting in Israeli-organized assassinations in Iran.

In response, Iranian authorities arrested two Azerbaijani poets who were visiting Iran and accused them of spying for Israel. If found guilty, they could face the death penalty. Following these arrests, Baku issued a statement warning Azerbaijani citizens not to visit Iran. Moreover, in early July, the Central Bank of Azerbaijan annulled the license of Iran's locally-operating Royal Bank. The bank was under suspicion of illegal banking operations and money laundering of Iranian funds.

Conclusion

Relations between Azerbaijan and Iran currently depend more on regional and global issues than on mutual interests. It is hard to predict how increased pressure on Iran would affect Tehran's behavior toward Azerbaijan. However, strengthening international sanctions against Iran, an intensification of civil war in Syria, or targeted strikes on Iran can be expected to further harm relations between Baku and Tehran.

Iran may escalate conflicts across multiple borders, including the one it shares with Azerbaijan. Because of unresolved territorial claims in the Caspian and ongoing militarization, the Caspian Sea remains an area with high conflict potential. Furthermore, judging by Iranian behavior in the Hormuz Straits, if Iran comes under pressure, it may seek to demonstrate to the West that regional infrastructure, including Azerbaijani oil and gas platforms and pipelines that supply the West, are fair game. Iran could also spearhead various provocations. Agents could enflame pro-Iranian elements within Azerbaijan. Having refrained from the threat of force since 2001, Tehran may no longer believe it prudent to restrain itself militarily against Azerbaijan. In the end, Baku pursues "normal" relations with Iran while keeping on standby a range of contingency plans.

Recognition Without Independence

ABKHAZIA'S INTERNATIONAL CONTEXT

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Abkhazia has enjoyed the status of a de facto independent state since it won a secessionist war with Georgia in 1992-1993. Six countries, all members of the United Nations, later recognized Abkhazia's independence after the Russia-Georgia war of 2008 (see **Table 1**). However, Abkhazia lacks broad international recognition. It is instead an object, not a subject, of negotiations between other states, mainly Georgia, Russia, the United States, and the European Union.

Indeed, Abkhazia's status has not developed as the result of a consistent foreign policy but rather via a series of accidental international events unconnected to each other. Ethnic Abkhazians themselves have been inconsistent about their desire for independence. In fact, Abkhazians applied several times to become a part of other countries; they opted to remain in the USSR when Georgia separated from it two decades ago and have twice applied to join the Russian Federation.

This does not mean that Abkhazians do not have comprehensive interests, however, or that they do not use their own methods to pursue them. Abkhazian foreign policy matters to some degree, at least to the extent that Abkhazia has occasionally been able to improve or worsen its international position. While independence is very important for Abkhazians, however, it is not the only driving force for their foreign policy. Economic and social interests are equally important motives that have helped determine the preferences of Abkhazia's elite.

This memo focuses on the policy that Abkhazians have pursued to achieve independence and on the kinds of support and challenges they have encountered from the international community. On this basis, we try to answer a question: What actions would help Abkhazians effectively develop their position in the international context?

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Abkhazia as a De Facto Independent State

From the beginning of their struggle for independence, Abkhazians had only a few allies and were connected with them either temporarily or informally. In 1990-1991, the Abkhazian separatist movement received considerable support from Soviet President Mikhail Gorbachev, who tried to use it as an instrument to block Georgia's first steps toward independence. Abkhazians boycotted Georgia's referendum for independence and announced their decision to remain in the USSR, participating in the referendum for the latter's preservation. In June 1992, in response to Georgians' revival of their 1921 constitution, Abkhazians revived their own Soviet-era constitution of 1925, when Abkhazia was united to Georgia in more equal confederal fashion before being formally subordinated to Soviet Georgia in 1931.

In 1992, Abkhazia became a member of the so-called Commonwealth of Unrecognized States (CUS), an analogue of the Commonwealth of Independent States (CIS). Abkhazia established relations with other unrecognized states, including Serbian Krajina in Croatia, the Republika Srpska in Bosnia-Herzegovina, Transdniestria, Nagorno-Karabakh, and South Ossetia. After Georgia rejected CIS membership (it only joined at the end of the Georgian-Abkhazian war), Abkhazia separately applied for membership but was not admitted.

Moscow's support ended with the fall of the USSR. Gorbachev's former opponents-turned-presidents of Russia and Georgia, Boris Yeltsin and Eduard Shevardnadze, supported each other. When, in August 1992, Georgian troops moved to restore control over Abkhazia, Russia supported Georgia's territorial integrity.

Abkhazians are considered part of the Circassian world, with its homeland in the Russian Caucasus. The Abkhazian language belongs to a branch of Abaza-Circassian languages. For that reason, Abkhazia gained a new ally, the Circassian community, in Russia and in a diaspora that exists across 50 states. There was a dramatic response from this community to the 1992-1993 Georgian-Abkhazian war. Over 1,500 Circassian volunteers participated in the war. The five-million strong Circassian community in Turkey organized several meetings. A delegation from Circassian NGOs met in September 1992 with the prime minister of Turkey, Süleyman Demirel, who agreed to cooperate to stop the conflict, although his government later supported Georgia. The Circassian Benevolent Association (CBA) in Jordan visited and appealed to the government of Jordan and embassies of the United States, France, Germany, and Great Britain. In January 1993, a freight carrier from the Jordanian air force landed at Nalchik airport in Kabardino-Balkaria in the Russian North Caucasus with 17 tons of humanitarian aid from the CBA and Jordanian Prince Hassan. Chechen separatists also supported Abkhazia, and a Chechen volunteer battalion fought alongside the Abkhazians and Circassians.

The Abkhazians' September 1993 victory did not bring recognition, and the war's legacy determined Abkhazia's problems for years to come. The war claimed about 10,000 lives and caused several hundred thousand refugees to flee Abkhazia, among them more than 200,000 ethnic Georgians, who had made up over 45 percent of Abkhazia's population to the ethnic Abkhazians' 18 percent. After the war, about 50,000

refugees returned to their homes; however, some 30,000 of them had to flee again during a renewal of hostilities in 1998.

Russia actively participated in postwar negotiations and gradually gained a central role in the region. In 1995, the Abkhazian parliament applied to become part of the Russian Federation. However, Russia did not accept it. The following January, Russia agreed to impose a CIS-wide economic blockade against Abkhazia. Other countries, including Turkey, supported it.

The Circassian world remained Abkhazia's only real supporter for half a decade after the war. Recognizing the importance of the Circassian community in its affairs, Abkhazia established relations with the Circassian republics of the Russian Federation. In 1997, Abkhazia even risked alienating Russia when, following the example of regional parliaments in Kabardino-Balkaria and Adyghea, it recognized the 19th century genocide the Russian Empire committed against the Abkhazian people. Meanwhile, Abkhazia was passive during two Chechen wars and thus lost the support of the Chechen separatist movement.

After a national referendum, the Abkhazian parliament declared independence in October 1999. Russian policy toward Abkhazia changed after 2000, when Russia eased the blockade against it, unofficially allowing imports and exports. In 2001, Abkhazia once more applied to become part of Russia, this time as an independent associated state, but again Russia rejected its appeal. Abkhazia developed relations with other unrecognized states on post-Soviet territories. In November 2006, Abkhazia, South Ossetia, Transdniestria, and Nagorno-Karabakh simultaneously recognized each other, although they lacked instruments of mutual support.

Circassian NGOs responded to the August 2008 war with statements in support of Abkhazia. A meeting took place on Abkhazian Square in Nalchik on the day Russia recognized Abkhazia's independence two months later. Afterwards, delegations from all parts of the Circassian world met in Sukhum(i) to celebrate Russia's recognition.

Table 1. States that Recognize Abkhazia

Date of Recognition	State
August 26, 2008	Russian Federation
September 5, 2008	Republic of Nicaragua
September 10, 2009	Bolivarian Republic of Venezuela
December 15, 2009	Republic of Nauru
May 23, 2011	Republic of Vanuatu
September 18, 2011	Republic of Tuvalu

Losing Support from the Circassian National Movement

The Circassian national movement lauded Abkhazia as the first territory in the Circassian-Abaza family to become independent. In October 2008, an Abkhazian delegation participated in Circassian Day at the European Parliament. Gem Ozdemir, an influential German politician of Circassian origin, organized a meeting with 30 members of the parliament. Influential Circassian organizations lobbied for the economic and

political interests of Abkhazia in Turkey. In 2011, Abkhazian President Sergey Bagapsh visited Turkey, but he was unable to meet officials.

At the same time, problems between Abkhazia and Circassians have arisen as a side effect of Abkhazian demographic policy. To resolve the country's demographic problems, the Abkhazian parliament issued a law allowing all people of ethnic Abkhazian origin to become citizens. Over several years, ethnic Abkhazians finally reached 50 percent of the total population (see **Table 2.**) Nonetheless, this is a fragile figure, considering the existence of some 200,000 Georgian refugees and their descendants who demand a right to return.

Table 2. Ethnic Statistics in Abkhazia
(Censuses of USSR 1989, Abkhazia 2003 and 2011)

	1989		2003		2011	
		%		%		%
Abkhaz	93,267	17.8	94,606	43.8	122,069	50,71
Georgians	239,872	45.7	45,953	21.3	46,367	18,26
Armenians	76,541	14.6	44,870	20.8	41,864	17,39
Russians	74,913	14.3	23,420	10.8	22,077	9,17
Total	525,061		215,972		240,705	

The Abkhaz immigration policy alienated Circassians, who were generally not included in the favorable category allowed to become Abkhazian citizens. Circassians hoped that Abkhazia would develop a friendly policy for the mass immigration of diaspora Circassians, descendants of those expelled from the Caucasus during the Russian conquest of the 19th century. However, Abkhazia only made a preference for some Circassian sub-ethnic groups, claiming that they belong to the Abaza branch like Abkhazians. The Abkhazian government included into this group Abazins from Karachaevo-Cherkessia, Ubykhs from Turkey, and Shapsugs from the Krasnodar region, Turkey, and Syria. Circassian activists viewed such differentiation as a calculated attempt by Abkhazians to separate themselves from the Circassian-Abaza brotherhood at the expense of dividing Circassians.

In the meantime, Russia and Georgia, for their own reasons, have been equally interested in spoiling Circassian-Abkhaz relations. Several conferences were held in Moscow with the participation of Abkhazian experts but not Circassians that discussed sensitive topics like the denial of the 19th century Circassian genocide. Some participants denied the fact that Sochi was part of historical Circassia, claiming it as Abkhazian territory because the Ubykhs that lived in the area supposedly belonged to the Abaza subgroup. The Abkhazian government never made any official statement about these issues. Nonetheless, these individual statements, which the Russian media publicized, had a negative impact on Circassian-Abkhazian relations.

Georgia's pathbreaking recognition of the Circassian genocide in 2011 revived Circassian-Georgian relations while weakening Circassian-Abkhazian relations.

Abkhazia supported the 2014 Winter Olympics in Sochi, the last capital of Circassia. The fact that Russia will hold the Olympics on former Circassian lands without acknowledging Circassian history and sensitivities has upset members of the Circassian national movement. In 2011, realizing the danger of losing support from the movement, Abkhazians started to commemorate their Day of Genocide jointly with the Circassians on May 21 (abandoning their traditional May 31 commemoration). This, however, did not remedy the situation. In May 2012, Circassian organizations did not attend Abkhazian meetings in Kefken, Turkey, commemorating the Circassian genocide, a gathering they always used to organize together.

What Drives Abkhazia Away from Georgia and Toward Russia?

The international community is concerned about Georgian territorial integrity and Russian involvement in Abkhazia. The U.S. government considers Russian actions to be an “occupation of the Georgian territories of Abkhazia and South Ossetia.” Many analysts argue that while gaining de jure recognition of its independence by Russia, Abkhazia is becoming de facto more part of the Russian Federation. Abkhazia has also allowed Russia to increase its military presence. Abkhazia has its own problems with Russia, including tensions over border disputes and extensive Russian property purchases. Recently, Russian security services claimed that there is an Islamist extremist group in Abkhazia connected to North Caucasian extremists. In response, Sukhum(i) rejected the possibility of introducing Russia’s infamous anti-terrorist methods into Abkhazia. It is obvious that only the restoration of Abkhazians’ relations with Georgia will help them counterbalance the heavy Russian presence in Abkhazia.

What drives Abkhazia away from Georgia and toward Russia? The three main issues that define Abkhazian policy toward Georgia are the legacy of the 1992-1993 war, Georgia’s refusal to allow Abkhazia to trade directly with outside states, and the problem of Georgian refugees. The war traumatized Abkhazians and alienated them from Georgians. After the war, Georgia took some steps to try and compel Abkhazia to return to Georgia’s orbit. But the deep crisis the blockade caused for the Abkhazian economy was alleviated by the opening of the Russian-Abkhazian border and direct Russian financial subsidies into the Abkhazian budget. This doubled the dependence of Abkhazia on Russia and brought Sukhum(i) under Moscow’s control.

The 62nd session of the UN General Assembly recognized the right of all refugees, internally displaced persons (IDPs), and their descendants, regardless of ethnicity, to return to Abkhazia. However, the Abkhazian government fears that the return of refugees/IDPs would significantly increase Georgian involvement in Abkhazia’s internal affairs and that 200,000 returning Georgians would overtake the 100,000 Abkhazians in elections, creating a pro-Georgian government in Abkhazia. There is also the issue of refugee/IDP property, distributed among Abkhazians after the war. Redistribution would lead to socioeconomic destabilization. The Abkhazian government thus seeks ways to secure itself from Georgians’ proper but impossible demands. Russian investments in Abkhazia became the solution they needed. It is more convenient for the Abkhazian government to let Russian companies buy former

Georgian properties from new Abkhazian proprietors than to return them to their original owners.

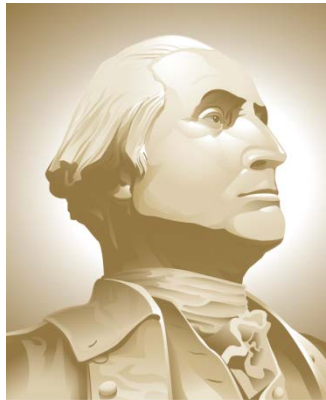
There is a way to resolve the refugee problem to the satisfaction of both sides. They could agree to use the Georgian model of repatriation of Meskhetian Turks, who were deported from Soviet Georgia under Joseph Stalin. This program has provided Meskhetian Turks with Georgian citizenship and reimbursed them for their property, but it does not guarantee their return to the same area they lived in before their deportation. Abkhazians could similarly allow the IDPs/refugees to return to Abkhazia, while Georgia would recognize that in the 1992-1993 war, residents left their homes in Abkhazia because of a situation that Georgian policy itself helped create and to reimburse them for lost property.

Conclusion

Recognition of independence opened new challenges and opportunities for Abkhazia. Engagement with Europe, the Circassian-Abkhazian diaspora, and Russia became three main dimensions of Abkhazia's new foreign policy. Although highly restricted in its possibilities, Abkhazia nonetheless could make some real steps to resolve its main problems and promote its international status. Relations with Russia will remain the priority in Abkhazians' foreign policy. Alongside this, Sukhum(i) should develop relations with the capitals of the Circassian republics in the North Caucasus, Nalchik, Maykop, and Cherkessk, which would help restore Circassian-Abkhaz relations and strengthen the pro-Abkhazian lobby inside Russia.

Over the long term, Abkhazia would benefit from the return of Georgian refugees. This would end Georgia's blockade, help normalize Georgian-Abkhazian relations, and allow for the opening of relations with foreign states. Georgian involvement in the Abkhazian economy would also balance the Russian presence. Return of Georgian residents to Abkhazia would be the crucial step toward building new relations. That could be based on a compromise – Tbilisi should reimburse them for their lost property and Sukhum(i) should allow them to resettle in Abkhazia. Abkhazia could also develop a new policy toward the diaspora, positioning itself as an Abkhazian-Circassian country and allowing Circassians from the diaspora to become citizens. Such a policy would help counterbalance the demographic problems of Georgian return and strengthen relations with the Circassian international movement, which has been Abkhazia's only real ally during its struggle for independence. Such steps would transform certain obstacles into instruments for normalizing the situation in Abkhazia and developing its international status.

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