

Russian Regional Report
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A bi-weekly publication jointly produced by the Center for Security Studies at the Swiss Federal Institute of Technology (ETH) Zurich (<http://www.isn.ethz.ch>) and the Transnational Crime and Corruption Center (TraCCC) at American University, Washington, DC (<http://www.American.edu/traccc>)

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REGIONAL PERSPECTIVES

THE YUKOS AFFAIR: A VIEW FROM TOMSK. In December, the federal government auctioned off one of Yukos's key assets, effectively destroying the company. Since 2003, when Yukos head Mikhail Khodorkovsky was arrested, the campaign against Yukos has had a large impact on the regions where the company's business activities were concentrated.

In 2004, the Tomsk oblast authorities had their own share of troubles with the Yukos affair since the company played a major role in the region's economy. Tomskneft, a fully owned Yukos subsidiary, provided one third of the oblast budget's revenues. The region's second most important industrial center, Strezhevoi, with a population of more than 40,000, is fully dependent on oil production. The situation of Tomskneft affects every aspect of its economic and social life.

Until the Kremlin launched its attack, Yukos was steadily expanding its involvement in the economy of the oblast and the city of Tomsk. The company controls 50 percent of the gas stations in the capital and practically 100 percent of the stations in the rest of the oblast. The firms also was making substantial investments in energy production, transportation, and other sectors. At least once it provided the oblast administration with an emergency loan when there was a budget shortfall. Yukos was also funding a range of education, scientific, cultural, and social projects.

From 1997 through 2004, when Yukos was part of regional life, both the company and the oblast leaders progressed through a long learning curve. Governor Viktor Kress recalls one of his first encounters with Khodorkovsky, who, looking at a regional map in the governor's office, flatly stated that he only cared about his business and, apart from paying taxes, the life of the oblast was not his concern. But Khodorkovsky's views evolved. By 2003,

Yukos was sponsoring dozens of socially-oriented events and programs, from equipping village schools with computer classes, to building a youth center, to setting up a fund for small business credit support. Massive funding went to Tomsk Polytechnic University, financing everything from scholarships to creating an international degree program. In 2003, Yukos' contribution to social programs was 250 million rubles. For its part, the oblast administration was able to overcome the suspicions of this powerful economic player, which had business interests that stretched far beyond Tomsk and unpredictable political ambitions, and engage the "oligarchs" in a constructive win-win relationship, identifying grounds of mutual benefit rather than searching for means of "asymmetrical warfare."

When the pressure on Yukos began to build in 2003, oblast officials sought to stay out of the conflict as long as politically possible. In early September 2003, the oblast procurator's office discarded a July request from the general procurator to file a case against Tomskneft for alleged tax evasion in 1999. Tomskneft and the former Menatep Bank provided proof that they had paid the necessary taxes and oblast prosecutor Yuri Sukhopluev did not find grounds for bringing charges. In early October 2003, he was forced to step down, and his Moscow-appointed successor initiated a criminal investigation against the Yukos-owned Tomskneft as soon as he was appointed. (Sukhopluev moved on to become one of the governor's deputies). In summer 2004, in the course of the main assault on Yukos, the federal government froze the stock and bank accounts of Yukos subsidiaries, including Tomskneft. In September 2004, the oblast for the first time reported that Tomskneft had stopped paying its taxes. However, anxiety increased throughout the year, as production declined and uncertainty disrupted the normal course of life in the north of the region.

Up to late 2004, Kress took a public stand moderately sympathetic to the plight of Yukos. However, as a seasoned politician, he never came close to crossing the line by engaging in principled dissent. In early December 2004, after a long-scheduled working meeting with President Putin, Kress announced his decision to join the pro-Kremlin United Russia political party. Whatever his potential human sympathy toward Khodorkovsky and the apparent frustration his team feels about the demise of the hard-won partnership with a major regional taxpayer and investor, the oblast leadership has acted on pragmatic calculations. In September-December, Tomsk sent envoys to Moscow to ask for compensation for the loss of revenues, reasoning that the federal government should transfer to the oblast some part of the funds received from Yukos in debt settlement. On 1 December 2004 Vice Governor Vladimir Yemeshev said the regional administration hoped that, if Yukos were to be sold at auction, Tomskneft would "go into one pair of hands" and "maximally painlessly." Overall, the oblast administration has always staked its future on "enlightened" loyalty to the center.

Apart from Yukos-related problems, the latest changes in budgetary relations between the center and the regions further curtailed revenue sources remaining at the regional level. From 2002 to 2005 the share of the regional tax revenues retained by the oblast shrank from 41.4 percent to 30 percent. For the Tomsk Oblast budget in 2005 this means a gap of about 1.3 billion rubles, about 10 percent of the total budget. Facing this combination of losses, the oblast is building a strategy designed to address immediate problems and stabilize its long-term prospects.

The November 2004 auction of 11 small oilfield development sites, in which 7 were sold for the unexpectedly large price of nearly a half billion rubles, brought immediate and benefits to oblast finances and may have a long term pay off as well. In addition, the oblast has been negotiating the involvement of such major players as TNK-BP, Lukoil, Gazprom and ChevronTexaco in oil exploration in the north-east part of the region, where large deposits may be found. By bringing these companies in, the oblast leadership hopes to diversify the oil industry in the oblast. Another priority is to induce Gazprom to process more of the gas that it extracts in Tomsk, thereby expanding, among other things, the regional tax

base. Gazprom is the one remaining monopolist working in the region and, since it has close ties to the federal government, is nowhere near as likely as Yukos to disappear. In the long term, Kress and his team would like to shift the oblast economy from resource extraction to knowledge-intensive innovation.

Nevertheless, in 2005 the oblast is going to be struggling hard to overcome the difficulties that sprang up in 2004. With the fate of Tomskneft uncertain, a major source of economic and social instability remains, with the potential to subvert many regional plans. - Alla Kassianova in Tomsk

RUSSIAN BORDER

ABKHAZIA ELECTS NEW LEADER. On 12 January, Abkhazia elected Sergei Bagapsh president in a race in which he ran on the same ticket as his former rival Raul Khajimba, who will now be vice president. Turnout was 58 percent, with about 68,000 of the 123,000 eligible voters participating.

The first round of the elections, in which Bagapsh apparently won by a handful of votes, were annulled because of numerous violations on both sides. Khajimba, who represented the interests of current Abkhaz president Vyacheslav Ardzinba and had close ties to Moscow, competed against Bagapsh, who sharply criticized the policies of the authorities and proposed a different path of development.

In contrast to the recent standoff in Ukraine, the situation in Abkhazia was extremely explosive. Every adult male in the separatist region is a member of the reserve and has weapons at home given him by the republic's Defense Ministry. In these conditions, the political standoff threatened to turn into an armed confrontation, further destabilizing an already shaky situation. An armed conflict would inevitably spill over into other regions of the Caucasus.

This threat was particularly palpable because in the mountainous regions of the republic there is a strong clan tradition. Any member of a tribe must defend the interests of other members of his clan. The system of clan relations penetrates all of the North Caucasus regardless of administrative or international borders. Residents of many regions in southern Russia would be drawn into any conflict in Abkhazia. The situation was so precarious that the authorities in Krasnodar Krai, which borders Abkhazia, closed the border and began making preparations to receive refugees.

The border closing put Abkhazia on the verge of an economic crisis. The regions of Southern Russia, particularly Krasnodar Krai are the main source of food and energy for republic which seeks independence from Georgia. In one day, prices on bread and gasoline went up 2-3 times. Also threatened was the ability of the population to export citrus fruit to the northern regions of Russia.

The threat of the crisis forced the erstwhile opponents to forget about their previous differences and start negotiating, leading them to create a mixture of democratic institutions and clan traditions. Consultations and negotiations with councils of elders and religious leaders led the previous competitors to agree to new elections in which Bagapsh would run as president and Khajimba as vice president. The designation "vice" means little since each of the politicians will have equal powers and neither will have the ability to remove the other from office. Effectively, they have created a duumvirate, a form of government most widely used during the Roman republic.

The result of the elections was reasonably predictable. The duo won 90 percent of the votes and Bagapsh won election as president.

The alliance of the competitors raises hopes that stability will be maintained in the region and also that Abkhazia will eventually normalize its relations with Georgia. Bagapsh

did not raise the theme of integrating with Georgia since such a position would be suicide for any candidate against the background of the anti-Georgian mood of the Abkhaz voters. Nevertheless, he is a much more flexible politician than any in the group around former Abkhazia president Vyacheslav Ardzinba and his election makes it possible to hope for negotiations with Tbilisi. However, this will be a long-term process. It is not clear if Georgia will recognize the legitimacy of the elections because two-thirds of the population had to leave the area as a result of the fighting between the Georgians and Abkhaz in 1992-1993. - Sergei Danilchenko in Krasnodar

TORTURE IN RUSSIA

MARII EL GROUP EXPOSES POLICE ABUSE. The Marii El-based group Man and Law presented its new pamphlet on police torture at a press conference on 28 December. The work is entitled *Zarechnyi Syndrome* because it focuses on the police in the Zarechnyi district of Ioshkar-Ola, the republican capital. This station house there has gained a reputation for its brutal approach to juveniles.

Man and Law reports that cases of police torture are frequent in their city. Employees of the organization claim to encounter examples of it on a daily basis. During the course of 2004, they were able to document seven cases in which the police exceeded their authority in handling teenagers in Ioshkar-Ola.

Sergei Poduzov, the co-chairman of Man and Law and the author of the brochure, noted that while torture exists in the city, no one talks about it openly. The contents of the book focus on various police abuses during 2003 and 2004. In particular, the material covers the cases of B.F. Rzhavin, A.V. Almakaev, and D.O. Orlov. Poduzov also described the so-called ATL affair involving three teenagers. Man and Law offered free legal representation to the teenagers in this case.

Ioshkar-Ola citizens most frequently complain about the Zarechnyi police precinct. Generally, the police abuse cases focus on teenagers. In 2003, Man and Law conducted a poll of middle school students in the city and found that more than one half had encountered the police, including physical pressure. Man and Law lawyer Dmitrii Egoshin described numerous cases and noted that much of the problem comes from the poor training of the police officers.

In a typical example of such abuse, the police would detain a young person, bring them to the station house, but not register any arrest. Then the police would ask the young person to come back after hours. At this point they would torture them and force them to admit to committing a crime. After beating them, the young person would be allowed to return home. The victims also received many threats from the police. The police are never held to account for these actions.

Poduzov charged that the problem of torture is widespread and that it deserves immediate attention. Man and Law is currently working with the republican branch of the justice ministry, the city procurator and other authorities to address the problem. - Inna Biletskaya in Ioshkar-Ola

POLITICAL PARTIES

KURSK GOVERNOR LEAVES COMMUNIST PARTY. Kursk Governor Aleksandr Mikhailov's decision to leave the Communist Party created a furor in the region during the last week before the New Year's holidays. Mikhailov announced his decision on regional television on 24 December. He said that he always supported the unity of the Slavic countries and that this goal had once been a priority for the Communist Party of the Russian

Federation. Now he said that his goal is to "consolidate society, unify the population around the idea of strengthening the socio-economic potential of the region."

He charged that the Communist leaders were currently focused on internal disputes and not serving the popular interest. Mikhailov claimed that the final straw was the party's decision to include him in the Central Committee without his consent and then not to withdraw his name when he requested them to do so. After his decision to leave the party, the Communist Party leadership referred to Mikhailov as a "traitor" (www.kprf.ru).

Mikhailov said that he fully supports the policy of President Putin. This statement led many to assume that the governor planned to join the United Russia party. However, the governor said that he had no plans to join the pro-Kremlin party and that as governor he planned to stay above parties.

Most likely, the main driving force behind Mikhailov's decision is that the governor's current term runs out in November 2005. Undoubtedly, he hopes to lead Kursk even after this term finishes. Under the new procedures, Putin will appoint a new governor and that person has to be confirmed by the regional legislature. In the Kursk parliament, the most well represented groups are regional business and civil servants. Political parties, whether the Communists or United Russia, have little influence. Mikhailov is now trying to win Putin's favor by working closely with the presidential envoy to the Central Federal District, Georgii Poltavchenko, who visited Kursk one week before Mikhailov announced his withdrawal from the party. - Sergei Sarychev in Kursk

REGIONAL ELECTIONS

VOLGOGRAD: COMMUNIST NIKOLAI MAKSYUTA WINS NEW TERM. On 26 December 2004, Volgograd residents reelected their Communist governor in a race in which members of the pro-Kremlin United Russia party did not even make it to the runoff. Incumbent Nikolai Maksyuta, backed by LukOIL as well as the reds, defeated Volgograd businessman Nikolai Volkov, in the runoff of a race that had an unusually large number of ups and downs.

Long before the December elections, several candidates, were seen as serious challengers to Maksyuta, though no one thought that Volkov had a chance. High on the list was Oleg Savchenko, the director of a major enterprise in Volzhskii, who placed second in the 2000 gubernatorial elections. By the spring of 2004, he had won a seat in the State Duma and established himself as a leader of the Volgograd United Russia organization.

The second likely contender was Yevgenii Ishchenko, who spent approximately 10 years in the State Duma, and in October 2003 was elected mayor of Volgograd. He was an ally of Savchenko in 2000, but in 2004 he also sought the leadership of the United Russia party and the party's nomination for the governorship.

However, obscure party machinations in April 2004 led the United Russia Central Committee to replace Savchenko as party organization leader and gubernatorial candidate with State Duma member Vladimir Goryunov, president of the Volgograd Rotor soccer club. Goryunov is neither a good leader nor does he possess a large fortune or other resources, beyond some Moscow connections.

Goryunov's appointment not only diminished Savchenko's prospects to beat Maksyuta, it also started a crisis in the Volgograd United Russia organization that remains unresolved. Ultimately, three people affiliated with United Russia participated in the gubernatorial elections: Savchenko, Goryunov, and Ishchenko.

By the end of October, Ishchenko was the frontrunner in challenging Maksyuta. He had a strong record during his first year as Volgograd mayor, and used his extensive personal resources in the fight. However, late in October, the regional electoral commission found that

he had cited two different internal passports in his registration documents, and ousted him from the race since it is illegal to have two passports at the same time. Ishchenko appealed to the Volgograd regional court, explaining that his lawyer had made a "technical" mistake, and was reinstated as a candidate. However, the Russian Supreme Court backed the initial decision of the regional electoral commission and removed Maksyuta's main competitor from the competition. Some Ishchenko supporters claimed that LukOIL, which strongly backed Maksyuta, influenced the Supreme Court though there is no proof of this.

On 5 December, with 41.5 percent turnout, the incumbent governor Maksyuta received 41 percent of the votes. The rest of the returns were a surprise. Neither of the other two United Russia candidates (Savchenko and Goryunov) was able to get into the second round. Instead, local businessman Nikolai Volkov, backed by the Union of Right Forces (SPS), took second place (13.2 percent), third place (13 percent) was "against all", while Oleg Savchenko came in fourth with 12.9 percent, and the official candidate of United Russia Goryunov only sixth (7 percent), losing even to LDPR candidate Yevgenii Golubyatnikov (7.2 percent).

Volkov's strong finish was due to his massive campaign in the rural districts of Volgograd Oblast, where he finished second in the State Duma elections of 2003. However, it is hard to attribute his relative victory over Savchenko to his large financial base - Savchenko is no less affluent. Maybe it also reflected the potential of SPS in Volgograd, or some kind of protest against the various incumbents, both Communists at the regional level and United Russia in Moscow.

All major rivals of the incumbent governor supported Volkov. However, his personal image and poor name recognition prevented him from winning. On 26 December, with 38.4 percent turnout, Maksyuta was reelected, but his victory could hardly be called decisive. Maksyuta won 51.1 percent against 38.7 percent for Volkov, a surprisingly good showing for the little known contender.

Those results may be interpreted differently, but in no way are they good news for United Russia or the current oblast leadership.

The elections were also noteworthy because, for the first time, the Volgograd electorate used ballots read by electronic scanners. However, these are the last gubernatorial elections in the region since now the president of Russia will appoint governors. - Ivan Kurilla in Volgograd

ASTRAKHAN, ULYANOVSK: UNITED RUSSIA WINS GOVERNORS' RACES. The 5 December Astrakhan gubernatorial election was entirely predictable, with acting governor Aleksandr Zhilkin winning 65.2 percent of the vote, with 50.1 percent turnout. Since 1991, Zhilkin worked as a deputy to former governor Anatolii Guzhvin who unexpectedly died in 2004. Zhilkin handled issues of finance, the social bloc, the fishing industry, road construction, and tourism. During the campaign, he presented himself as the official successor to Guzhvin.

At first it was not clear if Zhilkin would be able to fill the shoes of his extremely successful predecessor. But when Putin came to the region for Guzhvin's funeral and strongly backed Zhilkin, his popularity began to rise dramatically. United Russia also backed him as did the business elite including Gazprom, Lukoil, and local bankers.

Zhilkin's electoral program was based on the promise of future successes. In particular, he pledged to double the gross regional output within three years. (Kommersant Vlast, 22 November).

Ulyanovsk took two rounds to determine its next governor. Incumbent Vladimir Shamanov dropped out even before the race began by taking a job in Moscow as an advisor to Prime Minister Mikhail Fradkov on social issues for Russia's soldiers. During the first

round of the elections on 5 December, Dimitrovgrad Mayor Sergei Morozov won 28 percent and Ulyanovsk businessman Sergei Gerasimov scored 20 percent.

However, a week before the runoff election on 26 December the court removed Gerasimov from the race, claiming the he had tried to buy voters because he had lowed the prices charged by the dairy he owned. As a result the third place finisher, United Russia State Duma deputy Margarita Barzhanova entered the runoff.

Ultimately, Morozov won with 53 percent of the vote. Barzhanova received 20 percent and a whooping 25 percent voted against all in protest of the removal of Gerasimov. The outcome is a victory for presidential envoy in the Volga Federal District Sergei Kirienko, who supported Morozov. Thus, the influence of United Russia is strong in both Astrakhan and Ulyanovsk. - Arbakhan Magomedov in Ulyanovsk

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American University and the Transnational Crime and Corruption Center

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The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government and private foundations, TraCCC's basic goal is to better understand the causes and scope of transnational crime and corruption and to propose well-grounded policy. Much of our work to date has focused on the analysis of transnational crime and corruption in the countries of the former Soviet Union. In achieving our goals, we work with the public, media, law enforcement, policymaking, legislative, judicial, academic and business communities. To undertake this kind of collaborative work, we have partnered with the best scholars and practitioners in Russia, Ukraine and Georgia through multidisciplinary research centers.

The Federal Institute of Technology (ETH) Zurich and the Center for Security Studies

The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in

1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

The Center for Security Studies specializes in the field of national and international security studies. Activities include research, teaching, and information services. Since its founding in 1986, the center has developed two electronic information services - the International Relations and Security Network (ISN) and the Information Management System for Mine Action (IMSMA). Due to the steady growth in research activities and the increasing number of tasks and functions it undertakes, the center now has a staff of about 75 people working in research and teaching. It is part of an international network of scientific institutions and organizations and cooperates with numerous partners. The center's expertise has made it an important resource for public administrators and the media, and the center functions as a political consultant to the Swiss Federal Government.

COMMENTS AND QUESTIONS

Please send all comments and inquiries to Robert Orttung (rorttung@att.net), the editor of the Russian Regional Report.

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BENEFITS PROTESTS

AFTER FIRST DEMONSTRATIONS, KURSK EXPECTS STRONGER SECOND WAVE. Across Russia, the protests against the new policy of providing monetary compensation instead of in-kind benefits have yet to subside. Instead of allowing some categories of citizens free rides on public transportation, for example, the new system requires them to pay out of their pockets, with the state providing small sums to each citizen. However, in most cases the state subsidies do not cover the new costs that beneficiaries face.

In Kursk, former beneficiaries picketed the oblast дума on 10 January, protesting the cancellation of their right to ride public transportation free of charge. Social workers who provide services to the sick and elderly in their homes went on strike. As a result of the new policy, 350 workers of the "Sympathy" and "Care" social centers now must pay out of their pockets to use the public transportation system to visit their clients at home and travel to stores to purchase groceries for them. Previously these workers had the right to use public transportation without paying. Since 1 January, when the new law went into effect, they have had to cut their visits by half because of the higher costs. The social workers' salaries are extremely small, totaling only 1,500 rubles a month (about \$50), and they simply don't have the means to cover the higher costs.

Municipal police officers are also unhappy and many have refused to pay to bus fares. The situation has deteriorated to fist fights with tram and trolley bus drivers in some cases.

On 17 January, several hundred Kursk residents again took to the streets. The protesters, mostly pensioners, blocked the entrance to the oblast дума building and demanded that the deputies take responsibility for the new policy. Дума chairman Aleksandr Anpilov appeared before the crowd after protesters began shouting "An-pi-lov" repeatedly. However, the crowd did not let him speak. Then the crowd went to the building housing the oblast government. Deputy head of government Viktor Proskurin tried to explain that the oblast would provide an additional 100 rubles each month, but this did not pacify the demonstrators since this sum does not match the value of the benefits they lost. Rides on trams and trolleybuses cost 4 rubles, while city buses charge 6 rubles.

The assembled crowd drafted resolutions to President Vladimir Putin, presidential envoy Georgii Poltavchenko, Governor Aleksandr Mikhailov, and Kursk mayor Viktor Surzhikov. Among their demands was restoring free use of public transportation to pensioners, families with many children, and a large number of other categories of citizens. They also demanded that the government cancel its plan to charge people 100 percent of the cost of municipal services. Other demands included the resignation of the incumbent authorities, cutting the expenses of the oblast дума, and eliminating separate budgets for the deputies to use at their discretion and transferring this money to pay for social benefits.

Naturally, several politicians tried to stand at the front of this wave of social protest, including former State Дума member Aleksandr Fedulov and the head of the local Liberal Democratic Party Sergei Ivanov. However, their speeches did not have much success among the protesters.

The protesters threatened that if their demands were not met, they would take to the streets again on 28 January. The most threatening situation is that since 1 January, the population must bear the full cost of municipal services, meaning that they face a 10 percent rise in costs. Additionally, since the beginning of the year, the price of electricity has gone up 15 percent. The retail price for natural gas went up 20 percent and is expected to rise again in April. These increases will drive up housing costs even more.

The rising fuel costs will have a much stronger negative impact than the monetization of social benefits, according to oblast government head Aleksandr Zubarev. Currently, residents pay 24.10 rubles for a square meter of apartment space for household energy. The new fees will be about 30 rubles a square meter. If the increases go into effect, the oblast will have to provide compensation to the region's poorest residents of 400 million rubles to help them offset the cost increase. Such aid, however, is unlikely to be forthcoming. "The oblast does not have this money," Zubarev said.

As noted above, so far, the oblast is only willing to pay pensioners an extra 100 rubles a month to help them pay for public transportation. Recipients should get the first installment of this money at the end of January and then in the beginning of the month in the future. However, to qualify for this compensation, pensioners must provide documents showing that their income is less than the defined level set for aid to kick in. The oblast has not yet announced exactly how individuals will qualify and these procedures are expected to be clarified later.

The authorities are now pointing fingers at each other to place blame for the problems. The governor's press service blamed the United Russia deputies representing Kursk in the State Дума, Aleksandr Chukhraev and Aleksei Bolkov. The Дума deputies,

in turn, blame all of the problems on the governor and the oblast дума. - Sergei Sarychev in Kursk

TERRITORIAL ISSUES

SAKHALIN PUBLIC CAUTIOUS ON KURIL ISLANDS DEAL. Moscow and Japan have resumed talks over the Kuril Island territorial dispute, which they inherited from the end of World War II. Unfortunately, though, they seem no closer to a resolution than they have been in the past.

On 3 August 1945, the USSR declared war on Japan and later annexed the South Kuril Islands, an important passage route for the Soviet Navy to the Pacific. The Japanese never recognized the Soviet capture of what they call the "Northern Territories" and consider their occupation illegal since the Shimoda treaty of 1855 placed the islands under Japanese sovereignty. Meanwhile, the Russians consider the Shimoda treaty obsolete in the light of the Japanese attack on Russia's Port Arthur in 1904. This territorial dispute has prevented the two countries from establishing broad economic, political or social relations since they have technically been in a state of war since the 1940s.

In 1956 the Soviet government made an attempt to resolve the dispute and offered to return two of the four islands, but only after signing a peace treaty. The two countries even signed a relevant agreement, but the US, with Cold War designs in mind, prevented the deal from going through, and demanded Japan to back out. At one point, Secretary of State John Foster Dulles even threatened to annex Okinawa if Japan accepted the Soviet proposal.

The dispute was on the backburner until 1993, when Russian President Boris Yeltsin and Japanese Prime Minister Morihiro Hosokawa signed the Tokyo declaration, which tied the questions of the peace treaty and territorial dispute together. The following decade witnessed very little progress on the subject.

However, in 2004, Japan actively supported the idea of building a Russian oil pipeline from Siberia to the Pacific Coast, thereby challenging a route sponsored by China, which would have sent the Russian fuel directly to Chinese consumers. Eventually, the Russian government agreed to scrap its former plans to build a pipeline to China and settled on the route backed by Japan.

Soon after the Kremlin announced this decision, Tokyo reminded Moscow about its claims to the Northern Territories and Prime Minister Junichiro Koizumi symbolically flew near the disputed islands. The Russian foreign ministry fiercely criticized this act and only the Beslan tragedy distracted its attention.

A few weeks later on 14 November, Russian foreign minister Sergei Lavrov issued a statement that Russia would continue to adhere to the principles of the 1956 agreement and would return the islands of Shikotan and Habomai only following the signing of a peace treaty. Shikotan and Habomai are just rocky outposts compared to the other two islands, Iturup and Kunashir, which are developed population centers surrounded by rich fisheries.

At approximately the same time (October 2004), Russia and China resolved their old territorial dispute over small patches of land near the Amur River. This peaceful resolution prompted Tokyo to increase pressure on Moscow. As a "stick," Tokyo

declared that it would finance construction of the pipeline only following the signing of a peace treaty which followed the return of the islands, and as a "carrot" it offered to finance social programs in the economically and socially crumbling Russian Far East.

Lavrov's statement and the transfer of territories to China sparked a wave of public opposition in the Russian Far East. In Sakhalin, a group of local legislators drafted a petition demanding that the Kremlin provide an explanation for its policies. They threatened to collect signatures demanding President Putin's impeachment and to organize acts of civil disobedience if the president did not refrain "from unconstitutional measures which undermine Russia's territorial integrity."

Other local politicians sided with the Kremlin. Vladislav Rukavek, head of Committee for External Affairs, dubbed the dissenting deputies "pseudo patriots, who ignore historical realities." In November Putin met with Far Eastern presidential envoy Konstantin Pulikovskii and requested that he explain the Kremlin's policies to the locals.

On 14 January, Japanese foreign minister Nobutaka Matimura came to Moscow seeking to prepare Putin's visit to Japan. Tokyo had long insisted that the visit should occur in February, on the 150th anniversary of the Shimoda treaty; but the Kremlin, in response to Tokyo's sharp rhetoric, turned a deaf ear and did not even provide a definite answer whether the visit would take place. Subsequently, Matimura's tone was much more reserved. The results of his meeting with Lavrov were modest: the two merely concluded that their countries have "opposing" views on the situation. Lavrov also reaffirmed Russia's position that the peace treaty, combined with economic and social cooperation, would build a foundation for resolving the territorial dispute. The timing of Putin's visit to Japan will be set after Lavrov's visit to Japan this spring.

Ultimately, the main point of contention is not the islands *per se*, but the sequence of events surrounding their transfer. The Russians want to see economic gains first with a political deal coming afterwards; it is important for Moscow to demonstrate the benefits of peace with Japan to residents of the Far East, especially Sakhalin, so that giving up the islands is not as painful for them and the Kremlin. The Japanese government, on the other hand, is constrained by Japanese public opinion, which demands a political commitment first.

Not surprisingly, neither of the sides expects the dispute to be resolved soon. However, Japanese hunger for Russian energy likely will continue to bring the two countries closer together. First and foremost is the Taishet-Perevoznaya oil pipeline linking Siberia with Russia's Pacific coast, thereby gradually creating the foundation for further cooperation which Lavrov has sought. - Slava Shirokov in Vladivostok

RUSSIAN-IRANIAN TRADE

RUSSIAN RAILROAD SEEKS TO BOOST NORTH-SOUTH CORRIDOR. In recent months, the much vaunted North-South transportation corridor linking Iran and Russia across the Caspian Sea has run into considerable difficulty. Though much has been written about the opening of an Iranian consulate in Astrakhan, a key hub in the corridor on the shores of the Caspian, and an Astrakhan representative office in Iran, little progress has been made in making the trade corridor a reality.

Many of the obstacles are at the regional level. Neither Russia, nor Iran has fulfilled key pieces of the recent agreements they have signed on international trade

arrangements. Currently there is little up-to-date analysis of business opportunities along the corridor. Few Iranian ships or goods head across the Caspian Sea for Astrakhan, despite numerous calls for cooperation. Moreover, in Astrakhan, there is no single office dedicated to coordinating the various aspects of transportation links along the corridor.

Now the recently privatized Russian Railroad company is trying to reinvigorate the project. On 16 December, the head of the company Gennadii Fadeev met with the Iranian ambassador to Russia Golamreza Shafei to discuss the north-south corridor. The meeting comes before a session of the Russian-Iranian inter-governmental commission. The Russian railroad company is proposing the construction of a railroad link between Iran and Russia. Company officials claim that this link could eventually carry 10.2 million to 17.1 million tons of freight a year, including 6.8 million to 8.6 million tons in Russian-Iranian trade (Volga [Astrakhan Oblast], 16 December).

This initiative is interesting because it comes from the railroad monopoly, which is now a private company. In the past, the most prominent companies involved in Russian-Iranian relations were Russian firms that played a role in helping Iran develop its energy sector, nuclear industry, and military capabilities. - Arbakhan Magomedov in Ulyanovsk

REGIONAL POLITICS

BASHKORTOSTAN JUDGE ACCUSES AUTHORITIES OF POLITICAL PERSECUTION. On the eve of the new year, chairman of the Bashkortostan Supreme Court Marat Vakilov sent a letter to President Putin asking him for support in his conflict with Bashkortostan's President Murtaza Rakhimov. Vakilov accused the republican authorities of organizing a political campaign against him and causing some of the republic's judges to rise up against him in order to force his resignation. Vakilov described the politicians' actions as unwarranted intervention into the judicial system.

As a result of the confrontation, there is now a split in the republic's judicial community. The judges on the republican Constitutional Court and the justices of the peace, who are appointed by the republican authorities, support the calls for Vakilov's resignation, while the majority of judges of general jurisdiction, who are appointed by the federal authorities, support Vakilov against the Bashkortostani authorities. Interestingly, both sides in the dispute are appealing to the federal authorities to support their position.

The conflict began in 2002, when after long delays, Vakilov's court declared that the declaration of sovereignty in the Bashkortostan constitution was unconstitutional. On hearing of the decision, Rakhimov threatened to "destroy" Vakilov. Even though Rakhimov has appointed Vakilov, he demanded his immediate resignation and departure from the republic. Vakilov was called to account in the republican parliament, where he was told that "one measly judge" did not have the right to overturn the republican constitution, which had been adopted by the entire parliament. The republican authorities also accused the republican procurator of exceeding his duties by asking the court to examine the issue in the first place.

The authorities turned the purely legal issue that the court decided into a political question. They demanded that Vakilov and the procurator admit their "mistakes" in exchange for an end to further persecution. The republican procurator and his deputy,

seeking to avoid a conflict with either Rakhimov or the Russian general procurator, to whom he is subordinate, resigned immediately.

But Vakilov surprised observers by not giving into the pressure. Moreover, he began to defend the legal soundness of the decision his court had made, accusing the authorities of engaging in a campaign of political persecution against him. Vakilov knew as well as anyone that by challenging Rakhimov he was risking his judicial career and well-being. Perhaps his professional, or simply personal, pride won out, driving him to act incautiously. Or perhaps he was carrying out an order from the federal government for which he had to bear political responsibility. For whatever reason, he refused to resign.

Wasting no time, the Bashkortostan Ministry of Internal Affairs filed a criminal case against Vakilov for embezzling funds from the Supreme Court. However, the case was dropped when the general procurator intervened on the grounds that there was no evidence that a crime had been committed. Nevertheless, Vakilov became the victim of a campaign impugning his integrity in the media controlled by the authorities. The republican authorities even targeted Vakilov's relatives: his son was forced out of his institute; the authorities tried to remove Vakilov's family from its apartment; Vakilov's sister was fired; and his brother, working as the head of a collective farm, was accused of corruption.

The federal judicial authorities, not the regional authorities, have the power to remove Vakilov, so from the very start of the conflict, the Bashkortostani authorities have sought federal support for their position, claiming that Vakilov had disorganized the work of the court and had lost the respect of his colleagues. They sent appeals to Putin, leaders of both houses of parliament, and Russian Supreme Court Chairman Vyacheslav Lebedev. Lebedev, however, backed Vakilov, as did the Russian Supreme Collegium of Judges.

Until this incident, Vakilov had been an extremely loyal bureaucrat who followed the political winds of the times. He had long delayed making any kind of decision on the constitutionality of the supremacy clause. Even in making its decision, his court did not back much of what the procurator had wanted. However, the Bashkortostani authorities did not recognize these concessions in launching their campaign against Vakilov.

Such conflicts have been frequent occurrences in Bashkortostan. During Rakhimov's tenure, there have been five procurators, four prime ministers, four prefects in charge of the capital city Ufa, and several hundred civil servants of a lower rank who turned out not to be loyal enough to the existing political regime. However, in the case of Vakilov, the regime is suffering defeat for the first time. This experience is undermining its stability and serves as a sign of its weakness since it is unable to adapt to the changing political situation. - Igor Rabinovich in Ufa

CHURCH AND STATE

SARATOV AUTHORITIES, ORTHODOX CHURCH GROWING CLOSER. The Saratov regional authorities and the regional branch of the Russian Orthodox Church have reached a new stage in their evolving close relationship. Not only is there now an open connection, but the relationship is described in official documents summarizing Governor Dmitrii Ayatskov's activities while in office and his future plans, assuming that

President Vladimir Putin appoints him to another term when his current one expires in April 2005.

The governor defined his relationship with the church in a speech to the regional legislature, which was then published in the media as a programmatic document. He noted that "the current model of cooperation between the spiritual and secular authorities is close to optimal - it is an open, constructive, and mutually beneficial dialogue."

Local observers pointed out that currently the governor is only conducting a dialogue with the representatives of one religion - the Russian Orthodox Church and practically ignoring the representatives of other religions in the region. In fact, the regional authorities are helping the Orthodox church conduct open battles with the representatives of other religions. Last fall, for example, the city authorities helped block the construction of a Mormon Church.

The church is welcoming the support of Governor Ayatskov. At a meeting on 12 January between the governor and Saratov and Volga Bishop Longin, the bishop gave the governor an award for his help in restoring churches and providing other aid. Longin also noted that he hoped to get the secular authorities' support in further tasks such as restoring additional church property that had been taken away during the Soviet era.

With the support of the secular authorities, church officials are beginning to play a much larger role in local social and political life. Their interventions are becoming more regular and are carried out sometimes in the spirit of PR campaigns. One campaign that has just started is an effort to block the construction of a crematorium in the city of Engels, just across the Volga from Saratov. At a press conference, Longin stressed that the church did not support cremation as a way of laying human bodies to rest, noting that such practices went against popular and Christian traditions. He argued that cremation was only acceptable when necessary and claimed that Russia did not need such practices now. Most likely the local secular authorities will not ignore this opinion. - Ilya Malyakin in Saratov

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HUMAN TRAFFICKING

KHABAROVSK FILES ITS FIRST CRIMINAL CASE AGAINST TRAFFICKING. Local Internet sites and newspapers in Khabarovsk, Vladivostok, and even small provincial cities of the Far East are filled with advertisements claiming "Highly Paid Work Abroad" and "Jobs as Hostesses and Dancers for Attractive Young Women." Public opinion in the region has long been disturbed by stories of women who travel abroad and are sold into bondage and the terrible stories of girls who return after being held as sex slaves.

Today, more than 5,000 young women from the Far East go to work in the countries of South-East Asia. No less than 80 percent of them are hostesses and dancers in restaurants.

The regional authorities have tried to deal with this problem, at least in the way that they conceive of it. In July 2000 Khabarovsk Governor Viktor Ishaev was forced to sign a decree "On the creation of a working group to develop measures to counteract prostitution in foreign countries by young women in cities and raions of Khabarovsk Krai."

This year the Khabarovsk Krai procurator filed a criminal case against the head of the passport and visa service in the Department of Internal Affairs of Khabarovsk Raion. She was making money selling falsified foreign passports to young women who did not have permission to travel to South Korea and Japan.

Judging by recent press reports, the measures adopted in Russia and the countries of South East Asia are completely ineffective in combating trafficking. Crime groups have established channels for selling Khabarovsk sex slaves to Europe

and Israel. Apparently, the inaction of the law enforcement authorities has come to an end. Recently they arrested the owner of a Khabarovsk firm called Meridian-Service. The investigators claim that for each young woman the firm delivered, it received between \$1,500 and \$3,500 from Israeli pimps. The police reported that there was a sex conveyor in Khabarovsk which sent 300 young women over 2.5 years to Israel and China.

The procurator of Khabarovsk's Zheleznodorozhnii Raion announced that the criminal case was the first time local authorities had used the new edition of article 127 of the Russian criminal code. *Rossiiskaya Gazeta* published this amendment to the Russian Criminal Code, which outlaws a wide range of human trafficking activities, on 16 December 2003 and it took effect on that day. Unfortunately, there is little hope that all trafficking activities will be brought to an end soon. - Yuri Rozhkov in Khabarovsk

SWEDEN SPONSORS TRAFFICKING SEMINAR FOR KARELIAN

OFFICIALS. On 18-19 January, Stockholm's Swedish Institute, the Petrozavodsk city administration, and the Center for Gender Studies, a Karelian NGO, sponsored a conference in Petrozavodsk to counter human trafficking. The 500 participants represented all of the local governments in the republic. Part of the program was a showing of the film "Lilia Forever," by the Swedish director Lucas Mudisson.

The Center for Gender Research has been working to rehabilitate victims of human trafficking since 1997. During the last two years, 18 women have turned to the center for help against traffickers who have infringed on their freedom.

According to First Deputy Mayor of Petrozavodsk Aleksandr Safronov, Russia lacks a sufficiently well developed legislative base to combat human trafficking and the deceptive techniques used to lure victims into slavery. The country lacks ways to prevent such crimes, he said.

In Karelia, there have been at least two cases when people returned to the region after being held for many years in slavery in the North Caucasus. These people had numerous problems returning to normal life, beginning with reestablishing their citizenship to finding places to live and work. So far, there is no system in place to help such people. Organizers hope that the seminar will help attract public attention to this issue. - Maksim Timofeev in Petrozavodsk

PRESS FREEDOM

AUTHORITIES QUASH NEWSPAPER IN NOVOCHERKASSK. The Russian authorities' battle against the press is much harsher in the provinces than it is in capital. Fighting the authorities in the provinces requires much greater heroism since there are no foreign embassies or journalists to which one can appeal.

In Rostov Oblast, a particularly harsh example of this struggle is currently under way between the Novocherkassk mayor, Major General Anatolii Volkov, the law enforcement authorities, and the Rostov Oblast administration on one side and the journalists of the newspaper Novocherkasskii nablyudatel (Novocherkassk Observer) on the other.

The conflict began five years ago, when Volkov, the former head of a local Defense Ministry academy, was elected mayor. The journalists of the newspaper Evening Novocherkassk published articles expressing doubts that the elections had been conducted fairly. After coming under extreme pressure, Editor Anatolii Yasenik

was forced to seek political refugee status in the US and now lives in New York. The paper was closed.

The young journalist Aleksei Fedorov picked up where Yasenik had left off and began publishing the newspaper under a new name, Novocherkassk Observer. On 8 March 2003, the new paper published a story entitled "Mayor or Executioner?" in which it alleged that Volkov and the high command of the North Caucasus military district was involved in a variety of machinations to illegally acquire housing. By 28 March Fedorov was in jail. Formally, he was charged with not paying taxes on a commercial deal that took place at the beginning of 1999. At his trial, the only evidence against Fedorov came from people who had an interest in the case. There were no documents incriminating him. Fedorov's defenders also point out that in fact the deal did not actually go through, so there was no reason for him to pay taxes on it.

Even though there was a basis to give Fedorov a reduced term, the court sentenced him to the maximum three years in jail. After considerable struggle, Fedorov won his freedom.

Upon release, he continued his journalistic investigations and now is facing new charges, this time for slander. In this case, his accuser did not say exactly what in Fedorov's articles is slander and has simply complained about their overall tone. Observers expect that he will receive a long sentence this time as well.

Fedorov is now planning to run for a seat in the Novocherkassk City Duma. However, he fears that the mayor will do everything he can to block a potential victory. - Aleksandr Krasnov in Rostov-na-Donu

CENTER-PERIPHERY RELATIONS

PROCURATOR CRACKS DOWN ON SAMARA'S TITOV. On 30 December, Samara City Procurator Viktor Kazberov announced that he had filed charges against Samara Governor Konstantin Titov for abuse of office. Titov is the long-serving governor of Samara, where he is famous for his liberal views and his quixotic attempt to run for president in 2000 against Vladimir Putin. Kazberov's office carried out searches of the governor's offices, several businesses, and even the governor's representation in Moscow on 30 and 31 December.

Titov has become the main target in an investigation of a case in which a 300 million ruble credit was illegally taken from the budget and assigned to a firm in Samara. Between 30 December and 5 January, procurator employees twice tried to question the governor, but he was then in the hospital and the doctor would not allow visitors. For the first time in the 13 years that he has been governor, Titov did not address oblast residents on New Year's Eve. Deputy Governor Sergei Sychev took on this role.

Most observers in Samara consider the case against Titov to be a political move by Putin's presidential administration. According to political scientist Valerii Pavlyukevich, Titov lost favor with Putin when he ran against him in 2000.

Kazberov claims that the case is not political. However, Samara Oblast Procurator Aleksandr Yefremov had announced in the summer of 2004 that he was interested in running for governor.

During January, Titov largely disappeared from public life in his region. He did not respond publicly to the procurator's charges. Sychev has essentially taken over from Titov and his popularity rating is on the rise.

On 20 January in Moscow, Central Electoral Commission Chairman Aleksandr Veshnyakov announced that Titov's term would officially end on 2 July 2005. The local court agreed.

Putin will appoint Samara's next governor, choosing an official who will be more loyal to him. Most commentators claim that his choice will either be procurator Yefremov or the deputy speaker of the oblast legislature, Natalya Bobrova. - Sergei Khazov in Samara

BENEFITS PROTESTS

SARATOV PROCURATOR CHARGES COMMUNISTS. The Saratov City Procurator has filed charges against two members of the Saratov Oblast Communist Party of the Russian Federation (KPRF) oblast council for organizing an illegal street demonstration. They are Gennadii Turuntaev and Viktor Safyanov, both members of the city дума. The Procurator General of the Russian Federation has taken the case under his special supervision.

The demonstration against the new policy of providing cash payments instead of a variety of in-kind benefits, such as free medicines or rides on public transportation, took place on 15 January. According to official data, 182 people took part. Initially, the event started as a meeting with State Duma Deputy Valerii Rashkin, who is also head of the KPRF Oblast Council. Rashkin sharply criticized the new policy. After hearing him, the attendees went on to block traffic on Moscow Street, which is near the seat of the oblast government. Several members of the oblast government and Saratov mayor's office came out to meet the protesters. The officials promised to enact measures that would soften the blow to the former recipients of the benefits. The protesters demanded that the local television station organize a round table for United Russia Duma members to explain why they supported the policy.

The procurator accused the two Communists of blatantly violating federal and regional law in allowing the protesters to block traffic. The authorities claimed that the Communist Party had purposely sought to increase tensions in the region. However, most of those who claim that the Communists were trying to increase local tensions are close allies of the governor. The Communists reject such accusations and claim that they simply lost control of the protesters. The party plans to fight the procurator's charges in court.

Even as the authorities accuse the Communists, the protest actions continue without any participation on the part of the Communists. The police now regularly report arresting participants. However, other deputies from local, regional, or the national legislatures or other famous politicians have not been among those detained. - Ilya Malyakin in Saratov

RUSSIA'S LAST GOVERNOR'S ELECTION

NENETS RACE HEADS INTO RUNOFF. On 23 January voters in the oil-rich Nenets Autonomous Okrug went to the polls in the last gubernatorial elections in Russia, following Putin's decision to appoint governors. The elections were noteworthy not because they were the last, but because they included all of the usual political tricks that have become so popular in recent years.

Regional elections in Russia were not political competitions between competing political ideas, but contests between interest groups and shadowy financiers. The main actor in these campaigns was the president and his

administration. The competitors generally appealed to the president, trying to win his support and presenting themselves as his choice in the race (*Izvestiya NAO*, 20 January).

Incumbent governor Vladimir Butov had become extremely unpopular at the end of his second term in office. He had fought with all the major oil companies in the region, the local legislature, and the federal government. He also was the target in a variety of criminal cases.

While his constituents initially believed that he was defending their interests, they ultimately lost faith in him because he was unable to improve the local economic situation. His failures were particularly striking in contrast to the relatively better conditions in Russia's other oil and gas regions, Khanty-Mansii and Yamal-Nenets.

Whatever threat that Butov may have presented in the race was neutralized when a St. Petersburg court cancelled his registration as a candidate and removed him from the race. The formal charges involved a case that had seemingly been settled in which Butov was accused of beating a traffic policeman in Petersburg. On 14 January the Supreme Court confirmed the decision to remove Butov from the race. The court also cancelled the registration for Naryan-Mar Mayor Rodionovskii.

The day before the election, it became clear that the oil companies had won a major victory. On 19 January Lukoil president Vagit Alekperov visited the region. He discussed plans to create Rusko, a joint venture between Lukoil (70%) and ConocoPhillips (30%). The basis of this company is Naryanmarneftegaz and it plans to produce 10 million tons of oil a year beginning in 2008.

Ultimately, in the first round of the elections, the oil companies' candidate Aleksei Barinov won 22 percent of the vote. Igor Koshin, the youngest candidate at about 30, came in second with 21 percent. These two will face off on 6 February.

Most likely Barinov will win the race because he is not connected to the incumbent Butov and appears to be an independent candidate. The population views him as a pragmatic who has a clear program and understands the situation in the region and its population. Barinov has close ties to Lukoil, having headed its subsidiary Arkhangelskgeoldobycha, and in 2003-2004 was the chief federal inspector for the region. He published a program in *Rossiiskaya gazeta* on 18 November 2004 that was applauded by the presidential administration. He had the support of key local newspapers and television.

However, his victory was not guaranteed. Several months before the beginning of the campaign, he was fired from his position as chief federal inspector, allegedly for his political ambitions, suspicious network of friends, and blatant lobbying of his own business interests. Local observers claim that Barinov played a major role in electing Nikolai Kiselev as governor of Arkhangelsk in the spring of 2004, upsetting the incumbent governor Anatolii Yefremov. After the election, contracts for delivering fuel to key energy producers in Arkhangelsk was transferred from merchants with close ties to Yefremov to intermediary firms controlled by Barinov and those close to him. These firms make huge profits from these contracts. In Kiselev's administration, about a third of the bureaucrats are connected to Barinov. A likely key reason for removing Barinov from his post as chief federal inspector was that he allowed the appointment of a Federation Council member from Arkhangelsk who allegedly has close ties to crime groups. For all these reasons, United Russia did not support Barinov in the race. Instead he had the backing of the Rodina party. - Yurii Shabaev in Skytyvkar

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-- Andrei Kolesnikov, *Ya Putina Videl! (I Saw Putin!)*

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LAW ENFORCEMENT AGENCIES

GROUPS INVESTIGATE POLICE RAMPAGE IN BASHKORTOSTAN. From 10 to 14 December, in the small Bashkortostani city of Blagoveshchensk, the police carried out an act of violence against local residents at the order of Bashkortostan Interior Minister (MVD) Rafail Divaev. In official statements, the MVD has labeled this attack "preventative measures to impose order." Over the course of the five days, the police, backed by special OMON troops, detained about 1,000 residents in the city of 30,000. Deputy Chief of the Bashkortostani MVD Anatolii Smirnov headed the operation and was in the city at the time, along with the head of the OMON subdivision.

During the operation, the police ran through the city in groups of 15-30 and detained mainly young men aged 14-40 without any explanation on the street and in discos, clubs, movie theaters, cafes, and other public places. The officers beat many of their detainees where they were detained or in police cars and then took them to police stations where the beatings continued. Many detainees had to stand for hours holding

their arms up or were forced to kneel and repeat "I love the police." The police forced their victims to sign statements admitting that they had violated various administrative regulations and that they had no complaints against the police. More than one hundred were hospitalized, including some with brain damage and injuries to their internal organs.

Under pressure from the authorities, the doctors were not allowed to record the wounds as injuries received in beatings. The city prosecutor also refused to accept any complaints against the police.

According to official statements from the Bashkortostani authorities, the police carried out this action because the crime situation in the city had sharply deteriorated. However, the authorities did not publish concrete facts confirming this assertion, leading many observers to question whether it was accurate. The head of the Bashkortostan MVD had also asserted that three police men had been beaten in the city. But human rights organizations charged that the police leadership purposely was trying to spread false information among the population. Currently, the Bashkortostan procurator is conducting an investigation.

Some observers claim that the mayor of Blagoveshchensk was interested in the police action because he was having trouble maintaining his informal control of the city's small business sector. According to these sources, he allegedly had a conflict with a group of businessmen who own several cafes and discos that are popular among local young people. With the goal of frightening the businessmen and forcing them to sell their businesses, the mayor allegedly turned to the police, asking them to carry out some "preventative measures" in Blagoveshchensk.

Many victims described what had happened to them at a Moscow press conference on 27 December. The meeting was sponsored by the Moscow Helsinki Group and For Human Rights, with the participation of their leaders Lyumila Alekseyeva and Lev Ponomarev. At the beginning of January Alekseyeva and Ponomarev traveled to Blagoveshchensk and collected many statements from victims, passing them on to the Bashkortostan procurator, who had said that he had not received such statements previously. The city authorities tried to block the meetings by claiming that there were damaged electrical wires in the building where the meeting was to take place and then trying to disrupt a hastily organized meeting on the street.

On the eve of the attack, the Ufa newspaper *Versiya*, which is considered close to the law enforcement agencies, wrote that cruelty and tyranny toward citizens is becoming typical among Bashkortostan's police officers. The paper said it was typical for officers to use torture to extract information or coerce confessions. Individual police officers are reluctant to renounce their colleagues and the authorities are indulgent of their behavior.

On 16 December, even before the media began to describe these events, the Bashkortostani parliament asked Russian interior minister Rashid Nurgaliev to speak out in defending the honor of Bashkortostan police chief Divaev. The legislators claimed that Divaev was a victim of a political intrigue aimed at President Murtaza Rakhimov by his political opponents Sergei Veremeenko and Ralif Safin, former candidates for the republican presidency who now live in Moscow. Rakhimov's opponents would benefit from Divaev's removal because he is considered to be under Rakhimov's control. Replacing Divaev would make it possible to investigate possible economic crimes committed by people close to the president, including his son.

Although the republic procurator had to file a few cases against police officers, the republican authorities generally blamed the events on the media, which they claim

spread false information about the police and its leadership. The authorities said that the media should only publish information from official police sources, not the victims, who "do not have real information." Speaking in the republican parliament on 9 February President Rakhimov suggested that the police sue the federal media for reporting on the events. Clearly imitating Putin's recent comments about the suspicious nature of NGO financing, Rakhimov called on the procurator to look into the human rights defenders "who do not have paying jobs, but are supported by someone." Rakhimov said that he saw no reason to fire the police chief or the Blagoveshchensk mayor. - Igor Rabinovich in Ufa

RADICAL ISLAM ON THE VOLGA

CRIME-TERROR LINKS POORLY UNDERSTOOD. The greatest danger to Russian society today is not from radical Islamic terrorist groups, but from common crime groups that start to take on the discipline and organization of religious extremists.

The end of 2004 and the beginning of 2005 witnessed an unprecedented jump in the activities of radical Islamic groups in the Russian regions and an even greater rise in the level of discussion in the press. *Nezavisimaya gazeta*, in particular, paid enormous attention to this issue with articles discussing the wahhabi threat to Russia from a Crimean-Donets launch pad (22 December), the wahhabization of Kazan's mosques (24 December), and even the situation in Siberia's Khanty Mansii Autonomous Okrug (25 January). The frequency of these articles gives one the impression that there was a concerted campaign to deflect the attention of Russian society from other serious problems.

However, recent events in Astrakhan and Ulyanovsk suggest the need to look at the Islamic revival more carefully. Events connected to radical Islam in Astrakhan are having a dramatic development in Ulyanovsk. Both cities are connected through the evolution of the radical Islamic group Djamaat. *Izvestiya* published an article on this topic on 16 November, describing a "Jihad in Lenin's Hometown," referring to Ulyanovsk (<http://main.izvestia.ru/conflict/16-11-04/article697130>).

Here it is necessary to make a short historical digression. In beginning of the 1990s, Astrakhan became one of the centers of Islamic renewal in Russia. In June 1990, the city hosted the informal congress of Muslims of the Soviet Union, which created the Islamic Party of Rebirth. This group was the first Islamic political organization in the USSR and its goal was to defend "the right of Muslims to live by Allah's laws." Further developments in Astrakhan were more dramatic. In the 1990s, Dagestani migrants created a powerful wahhabi society of supporters of a radical, renewed Islam, led by the charismatic Angut Omarov. After the destruction of the Karamakhinskii wahhabi enclave in Dagestan in 1999 and the beginning of the second Chechen war, however, Omarov's Astrakhan society came under investigation. Currently it exists in considerably weakened form under the close scrutiny of the local security services.

Now we return to the current situation with Djamaat. *Izvestiya* wrote that the office of this organization in Astrakhan sent the 33-year-old Abdulkhalib Abdulkerimov from Astrakhan to Ulyanovsk to found a Djamaat wahhabi organization there. Abdulkerimov allegedly was involved in the bombing of Kaspiisk several years ago and was on the run from the law. Smart, educated, and fluent in several languages, Abdulkerimov quickly found followers and established a radical Islamic organization with 80 members. The group built a prayer house in an

Ulyanovsk apartment. In it, they performed their religious duties, preached radical Islam, and distributed Muslim literature and ideas. The organization recruited young people from poor families and juvenile crime groups. Most members of Djamaat were converts to Islam from Orthodoxy and were ethnic Russians, Chuvash, and Mordovians.

Over time the organization evolved into a typical crime group. The main activities of its members were robbery, kidnapping, and contract killings, which became the chief sources of income for the group. This transformation took place because the leadership of the group transferred to Sergei Sandyrkin, who had adopted the Islamic name Abdul Mudzhib. Eventually, the group's activities brought it into conflict with other local criminal organizations and it became enmeshed in a local criminal war. When Djamaat members killed a local criminal "avtoritet," Ulyanovsk investigators became interested in the new Islamic group. Ultimately, they arrested the most active members of the group, including Sandyrkin, and disbanded it. The Astrakhan security services arrested Abdulkerimov after he fled Ulyanovsk (*Komsomolets Kaspiya*, 26 January).

Given this evolution as a common crime group, it sounds absurd to claim that the "true goal of Djamaat was organizing terrorist acts in Russia, provoking interethnic conflict, and destabilizing the situation in the country," as the media and law enforcement authorities do in the *Izvestiya* article. It is utter fantasy to claim that this group was a "military-religious society that planned jihad and wanted to unite the Caucasus, southern Russian regions, and Volga regions into one caliphate," as *Izvestiya* did. Ulyanovsk FSB chief General Leonid Zubarev has made similar statements.

One can understand why the procurator, special services, and journalists would say such things. The law enforcement agencies need to solve important cases; journalists need sensational news. However, the truth lies far from what these people say to the central media.

Just as the head of the Astrakhan Oblast police press service pointed out, there is no headquarters for the Djamaat organization in Astrakhan. Just as in the end of the 1990s, the local branch of this religious organization numbers no more than 50 individuals and they are under the surveillance of the local FSB and police. The general criminal situation among them is no more than among other religious groups (*Volga*, 25 November).

What is much more dangerous for society than this supposed terrorist threat is that typical Ulyanovsk criminals are starting to put on wahhabite clothes. In the North Caucasus, common criminals already use wahhabism to justify their deviant behavior. In Ulyanovsk the combination of common criminality with religious ideas is dangerous because it introduces a highly disciplined and organized element into the criminal society, potentially making the crime groups much more effective. - Arbakhan Magomedov in Ulyanovsk

HUMAN TRAFFICKING

NEW LAW LEADS TO NEW CASES. After Russia introduced amendments to its criminal code on 8 December 2003 criminalizing human trafficking and the slave trade, in 2004 Russian law enforcement agents filed 18 cases for violations of article 127(1) human trafficking and 8 for article 127(2) slave trade. Eleven of these cases have gone to trial. By the beginning of February, none of the cases has led to a conviction.

At a conference to discuss this issue in St. Petersburg, experts noted that the number of victims is in the thousands every year, so the number of cases filed still is far short of addressing the overall problem. Observers note that Russia is making progress on this issue, but there is still much more work to be done. Conferences like this one, organized by the State Duma Committee on Civil, Criminal, Arbitrational, and Procedural Legislation will take place in each of Russia's seven federal districts over the course of the year. - Vitalii Nomokonov, Director of the Vladivostok Center for the Study of Organized Crime

AT WHOSE EXPENSE?

BENEFITS REFORM IN THE RUSSIAN FAR EAST. In 2005 the Russian government intends to "monetize" the social benefits it inherited from the Soviet system (free transportation for pensioners, veterans, the handicapped, and government and military workers, free medicine for certain categories of citizens, etc). As envisioned, free services will disappear and direct subsidies to certain categories of citizens will compensate for the lost privileges. This reform has resulted in a wave of public protests from Kaliningrad to Kamchatka.

The regions of the Far East have escaped widespread unrest. Far Eastern politicians have long interpreted federal regulation loosely, claiming that the special characteristics of their region, namely its extreme cold, large size, sparse population, and enormous distance from Moscow, meant that they had to do things differently. Though recently local elites have become more cooperative with the center, many postponed implementation of this unpopular reform. In Khabarovsk, the authorities put "monetization" on hold until 30 June. In Kamchatka, reform was postponed until 1 March. When Deputy Presidential Envoy Gennadii Apanasenko threatened to "unleash" the procurator against regional officials, they argued that the delays will allow a more robust implementation of the reform in the future.

So far, there have been only small protests in the towns of Arsenev, Nakhodka, and Usuriysk (Primorskiy Krai) and Holmsk (Sakhalin). There, 200 protesters captured the local administration building, but soon relinquished it. Police watched from the sidelines, perhaps because the officers also had lost benefits.

In Vladivostok, Mayor Vladimir Nikolaev ordered local bus operators to continue to provide free services for pensioners, invalids and veterans. At the same time, the administration intended to deliver federal direct transportation subsidies to local residents, thereby effectively increasing many people's income. Such populism prevented riots among the pensioners, but sparked protests from local bus operators, who realized that they were financing the federal reforms. Ideally, operators would have been able to raise bus fares and move the burden onto the shoulders of passengers, but the administration had prohibited raising fees above 5 rubles per ride (about 18 cents). The bus drivers struck back on 1 February by letting 600 buses sit in their garages, paralyzing public transportation. City police tried to force the drivers to continue working, but only a deal between the mayor's administration and operators allowing fares to go up from 5 to 7 rubles revived the transport arteries. Operators have long argued that fixed pricing hinders the development of the industry and now they have finally scored a victory in this battle.

Vladivostok is an example of how good intentions can go awry. The Kremlin initiated the reform but soon decided that it did not want to cover all the costs, which made regional elites unhappy, especially considering that new tax regulations went into effect on 1 January diverting even more money from regional to federal budgets.

The regional authorities, however, soon realized that they could transfer the burden to businesses, such as the bus operators. Increasing fares by 40 percent in essence means that ordinary citizens will now have to pay for their fellow countrymen who have free access to the transportation system. Unfortunately, Vladivostok residents are convinced that the root of the transport problem is a conspiracy of greedy bus operators.

Since governors are now appointed by the president rather than being elected by local voters, regional leaders prefer to find creative solutions which hurt ordinary citizens instead of holding the Kremlin accountable. It is illustrative that against the background of the transportation crisis in Vladivostok, Primorskii Krai's incumbent governor Sergei Darkin became the first governor to be appointed by President Putin. Soon the reform will spread to medical benefits and once again the Kremlin promises to bear the costs... - Vyacheslav Shirokov in Vladivostok

REDISTRIBUTION OF PROPERTY

ROSTOV AUTHORITIES MOVE INTO TRANSPORTATION SPHERE.

Rostov police recently arrested Rostov port general director Oleg Gryzlov on charges of embezzling and failing to pay customs fees. Gryzlov's problems with the law began when he tried to block the Doninvest financial-industrial group's purchase of the port. The chairman of the board of directors of the company is Maksim Paramonov, a relative of Rostov governor Vladimir Chub.

Until recently, the Rostov oblast authorities had not been interested in controlling properties in the transportation industry. Instead, they focused on gaining control of agricultural products processing plants, metal factories, and the construction business. Now the situation has changed. The regional authorities are trying to take over properties in the transportation sector whose current owners do not have strong support at the federal level. Most likely, Gryzlov will lose control of the port just as Taganrog businessman Sergei Bidash lost his assets in a similar dispute with the regional authorities (see Russian Regional Report, 8 December 2004). - Aleksandr Krasnov in Rostov-na-Donu

CENTER-PERIPHERY RELATIONS

KURSK LEGISLATURE APPROVES MIKHAILOV AS GOVERNOR. On 22 February, the Kursk legislature voted to approve incumbent Aleksandr Mikhailov as governor, following his appointment to the position by President Putin. All 41 legislators present in the hall voted for him. Mikhailov was elected governor in November 2000 and then won a second term four years later.

The governor worked hard to win Putin's favor. He quit the Communist Party in 2004. During the last six months, he has met with the president twice and presidential envoy Georgii Poltavchenko has started to visit the region one to two times a month, much more frequently than in the past. So far, the Kremlin seems to be benefiting from the new system of appointing governors since the appointees are extremely loyal, regardless of their previous positions. - Sergei Sarychev in Kursk

BARINOV ELECTED NENETS GOVERNOR. Aleksei Barinov won election as the governor of the Nenets Autonomous Okrug on 6 February. Although Barinov is a member of the pro-Kremlin United Russia party, the party backed another one of its

members in the race, Aleksandr Shmakov, who only came in fourth place during first round voting.

United Russia also failed to win a majority of seats in the regional parliament. Instead, the party won about a third of the seats, the Communists won slightly more, and the rest were divided among other parties. As a result, the parliament will be relatively independent and the two branches of government will have to find ways to work together.

Since newly elected governor Barinov has to defend local interests, he immediately announced that the okrug would not merge with any other regions. The federal authorities, as well as authorities in neighboring Arkhangelsk Oblast and Komi Republic would like to swallow up the oil-rich region, but naturally the two regions have different ideas of who should take over. Barinov is now committed to maintaining the okrug's current status.

The election results in Nenets were the last gubernatorial elections in Russia. However, they demonstrate trends throughout the country, showing that there is increasing unhappiness with federal policies in the regions. The United Russia party is likely to become increasingly less popular, though Putin's rating is unlikely to fall much.

Nevertheless, the federal authorities are trying to make the best of the situation. Immediately after Barinov won, President Chief of Staff Dmitrii Medvedev and Federation Council Speaker Sergei Mironov called to congratulate the new governor. United Russia presidium secretary Vladimir Bogomolov admitted that the party had made mistakes in not supporting the winning candidate. Already the big oil companies, including Conoco, are seeking meetings with Barinov and the "great oil game" has begun. - Yurii Shabaev in Syktyvkar

BOOK REVIEWS

JOURNALISTS SHARE INSIGHTS ABOUT PUTIN.

Andrew Jack, *Inside Putin's Russia: Can There Be Reform Without Democracy?*, Oxford: Oxford University Press, 2004.

Andrei Kolesnikov, *Ya Putina videl! (I Saw Putin!)*, Moscow: Eksmo, 2005.

Andrew Jack's *Inside Putin's Russia* has become the most popular book examining Putin's first term. It is a well written overview of all aspects of Putin's first four years in office. Unlike many books on Russia, which either focus on Chechnya or ignore it, Jack's does a good job of balancing the on-going separatist war with the development of other issues in the country. It is useful having this chapter near the beginning of the book because this violence is the background to everything else going on in the country. Jack's book is also a good introduction to Russia for students because it places current events within the context of the country's Stalinist past.

Until recently, Jack was the Financial Times bureau chief in Moscow. Besides reviewing recent Russian history, readers of this book will gain insights into how journalists work in current Russian conditions and what it is like to travel far and wide in the country. For me, this was one of the most interesting parts of the book.

The book starts off by evoking the fear of speaking openly in Putin's Russia. Jack recounts how a western diplomat in Moscow puts on a CD of Boris Godunov before talking about what is going on. Any one who travels to Russia these days

thinks about these issues. So far, I have not had any troubles in my own journeys, most recently to Chelyabinsk, but such thoughts are ever present.

An interesting companion volume to Jack's book is Andrei Kolesnikov's *Ya Putina videl! (I saw Putin!)*, which is on sale now in large stacks at Moscow bookstores along with its companion volume *Menya Putin videl! (Putin saw me!)*. Kolesnikov has been the Kommersant reporter assigned to the Kremlin since the departure of Yelena Tregubova, whose own book *Baiki kremlevskogo diggera* was a bestseller at the end of 2003. In the introduction to Kolesnikov's book, Kommersant General Director Andrei Vasilev writes that Kolesnikov's book is much more interesting than Tregubova's and that most people wonder why the Kremlin has not barred access to him. The answer, apparently, is that Putin likes him.

Where Jack lays out the big picture for foreign readers, Kolesnikov describes the events he witnessed at great length, assuming the reader already knows the general trends. What makes his stories interesting is the tiny details that lead to a greater understanding of the main subject of these books: Russia's president. In the first chapter about the sinking of the Kursk submarine, Kolesnikov describes the feelings of the families of the sailors who perished, but then shows how Putin was able to win these people over. In celebrating Hannukah with Moscow Jews, Putin tells the crowd that even though he cannot discuss it publicly, he supports the Jews in their conflict with the Palestinians. I haven't made it all the way through the book yet, but it is definitely an enjoyable read and I plan to pick up the second volume next time I'm in Russia. - Robert Orttung

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American University and the Transnational Crime and Corruption Center

In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government

and private foundations, TraCCC's basic goal is to better understand the causes and scope of transnational crime and corruption and to propose well-grounded policy. Much of our work to date has focused on the analysis of transnational crime and corruption in the countries of the former Soviet Union. In achieving our goals, we work with the public, media, law enforcement, policymaking, legislative, judicial, academic and business communities. To undertake this kind of collaborative work, we have partnered with the best scholars and practitioners in Russia, Ukraine and Georgia through multidisciplinary research centers.

The Federal Institute of Technology (ETH) Zurich and the Center for Security Studies

The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

The Center for Security Studies specializes in the field of national and international security studies. Activities include research, teaching, and information services. Since its founding in 1986, the center has developed two electronic information services - the International Relations and Security Network (ISN) and the Information Management System for Mine Action (IMSMA). Due to the steady growth in research activities and the increasing number of tasks and functions it undertakes, the center now has a staff of about 75 people working in research and teaching. It is part of an international network of scientific institutions and organizations and cooperates with numerous partners. The center's expertise has made it an important resource for public administrators and the media, and the center functions as a political consultant to the Swiss Federal Government.

COMMENTS AND QUESTIONS

Please send all comments and inquiries to Robert Ortung (rorttung@att.net), the editor of the Russian Regional Report.

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CENTER-PERIPHERY RELATIONS

PUTIN FIRES FIRST GOVERNOR, IN KORYAK OKRUG. Only ten weeks have passed since the Russian president acquired the right to appoint and remove governors on 1 January and he has already put in place 8 regional executives. Sergei Darkin in Primorskii Krai was the first governor to be appointed by President Vladimir Putin and approved by the regional legislature. Saratov's Dmitrii Ayatskov was the first to lose his seat when Putin chose not to appoint him to a new term. Last week Putin set another precedent when he decided to remove Koryak autonomous okrug governor Vladimir Loginov from office. The governor had been directly elected by the population and was not at the end of his term.

When land and sea routes freeze each winter, this arctic region plunges into a severe energy crisis if the Koryak authorities fail to prepare for the cold. Unfortunately, the authorities are often caught ill-equipped for this predictable situation and this winter's crisis has been especially severe. Electricity was available only for a few hours a day and heating was virtually absent. As a result, 25,000 inhabitants were left facing temperatures of negative 25 degrees Celsius inside their homes, forcing some locals to burn their belongings in order to survive.

According to the new law, the president has the right to remove a governor if he "loses trust" in him, a vaguely defined formulation that essentially gives the president a free hand. The Kremlin had long hinted that the provision does not apply to governors elected by direct popular vote, but Loginov's ouster demonstrates that this prohibition has been removed.

The Koryak region, located to the north of Kamchatka and to the west of Chukotka, is one of the most depressed regions in Russia, despite the fact that it is one of

the chief producers of platinum and fish in the country and receives 1.5 billion rubles (roughly \$40 million) in federal subsidies each year. In fact, it is the only region in the Far East which suffered from negative growth rates last year. It is also the only region in the country that has not adopted a budget for 2005.

The Koryak region's problems are twofold. First, it is located in extreme climatic conditions with limited transportation routes available only during warm weather. Second is its extensive corruption. Deputy Governor Mikhail Sokolovskii allegedly misappropriated \$2 million provided by the federal authorities for purchasing diesel oil for power plants, according to the official Channel One television. Sokolovskii allegedly transferred the money to a Moscow-based company that he had established earlier. Sokolovskii is the only high ranking Koryak official who is now facing criminal charges for misusing budgetary funds.

Putin temporarily replaced Loginov with deputy governor Oleg Kozhemyako. Kozhemyako is a well-known far eastern politician who had previously served as a Federation Council member from Primorskii Krai. Additionally, he had run for governor of Kamchatka and earned a fortune in the fishing industry. He and Presidential Envoy Konstantin Pulikovskii were ordered to manage the crisis. They have already organized emergency deliveries with two helicopters each carrying 10-14 tons of diesel oil. Ironically, it takes 5 tons of kerosene for each delivery. With about 200 flights needed, the costs are sure to be high. Unfortunately, the helicopters are the only hope until icebreakers and tankers reach the region's shores. In general, the crisis is now under control.

As Loginov continues to assert that he was wrongly fired, Pulikovskii has increased calls that all corrupt officials be prosecuted. While the Kremlin-controlled Channel One stresses the virtues of Putin's decisions to appoint governors, executives in other regions are drawing conclusions about how they should behave. The Kremlin has now demonstrated the new rules of the game: it maintains the power to remove governors regardless of how they were elected and will hold them accountable for the situation in their regions. Putin's move is bad news for some governors, especially those who hastily conducted elections before 1 January in hopes of securing a gubernatorial seat for another term. However, the federal attention is good news for the frozen and desperate people of the Koryak region. - Slava Shirokov in Vladivostok

PUTIN APPOINTS NEW GOVERNOR IN SARATOV. On 3 March, President Vladimir Putin used his power to appoint governors to remove the well-known and once influential Saratov governor, Dmitrii Ayatskov, and replaced him with the general director of the Balakov Atomic Energy Station, Pavel Ipatov. Of course, Putin eventually had to demonstrate that he had real power over Russia's governors by making a new appointment. But why did he first take action in Saratov?

As often is the case, Saratov's politicians are mainly responsible for the hole they dug themselves. Ayatskov was first elected governor in 1996, and along with Deputy Governor Vyacheslav Volodin, created an authoritarian system of rule in the region. In 1999, Volodin became a victim of the system that he had helped Ayatskov build. As Ayatskov began to fear that Volodin had too much power, he started reducing his responsibilities. Eventually, Volodin joined Moscow Mayor Yurii Luzhkov's team, as he was actively building his Fatherland party at that time. Volodin won a seat in the State

Duma and became Ayatskov's main opponent in Saratov politics. He lost the 2000 gubernatorial race to Ayatskov.

Volodin's federal career was successful, but stalled out when he became one of six deputy speakers in the Duma. From 2004, he actively sought to replace Ayatskov as governor. He established his own financial-industrial group around the Buket group of companies in the food processing industry, took over two regional television broadcasters and several newspapers, and established contact with new elite groups. During this time, Ayatskov was slowly losing influence and Volodin thought that he would be able to win the next election. Volodin formed an alliance with the regional procurator who filed corruption charges against Ayatskov. With Kremlin connections, the governor was able to have these charges dropped, but many of his immediate subordinates continued to be investigated. Volodin even set up a formal institution to attack Ayatskov - the Committee to Combat D. F. Ayatskov. But just when the struggle was reaching fever pitch, Putin decided that he would appoint governors rather than allow them to be elected directly.

Volodin tried to use the machine he had created to run a public campaign to instead convince the president to appoint him as the governor. Putin seemed to have a choice between a long-serving and increasingly powerless governor and his opponent, who had close ties to Luzhkov.

Putin chose to back neither of the warring factions, picking Ipatov instead. Yeltsin had considered appointing Ipatov as governor in the 1990s, but had never done so because he was seen as a second-tier figure in the oblast.

Once in office, Ipatov chose Oblast Duma member Viktor Budylev, the former oblast procurator, as his deputy. This appointment sent strong signals to both Ayatskov's and Volodin's teams that the new governor was going to base his rule on institutions like the procuracy that are strictly subordinate to federal control. Like Putin, he opted not to favor either of the two blocs in regional politics.

Thus, Saratov oblast received from Putin a governor who had never planned to become governor. Ipatov is respected as a good manager, but the sphere of his competence, atomic energy, is extremely narrow and will be of little use to him in his new post. He also has a reputation as an authoritarian leader even when it does not make sense to use authoritarian tactics. He is unlikely to take the advice of others.

Current events in Saratov are very similar to what happened in Ulyanovsk in 2000, when the Kremlin engineered the election of Chechen war General Vladimir Shamanov to replace Yurii Goryachev, who had built a system similar to Ayatskov's. Shamanov's military experience did not help him handle the responsibilities of the governor's office and after four years he left the region in political chaos and social and economic crisis.

It is not clear if Ipatov will fare better than Shamanov, but several trends are already apparent. Not wanting to take the side of Ayatskov or Volodin, and seeking to serve the Kremlin, Ipatov will end up isolated within the region. Most likely, the former anti-Ayatskov opposition, realizing its loss, will now turn its energy to opposing the new governor. It is capable of doing nothing else.

Ipatov will be unlikely to bring the two warring groups together as the Kremlin clearly hoped. Saratov is likely to descend into a new political war. Unfortunately, Saratov, like Ulyanovsk before it, is likely to become a victim of the Putin team's indifference to the political realities of the regions and another example of what happens

when you try to run a federal government from one office in the Kremlin. - Ilya Malyakin in Saratov

SAMARA GOVERNOR WARNS OF INSTABILITY. On 4 March Samara Governor Konstantin Titov warned that representatives of unidentified business groups were threatening him and some of his top aides. Titov claimed that the business groups were trying to set Samara residents against their governor so that Putin would appoint someone else when Titov's current term expires in July. Titov, in particular, hopes to avoid a repeat of what happened in Saratov, where Putin removed a long-serving governor and replaced him with a political outsider. Titov said that the business groups were seeking to have Putin appoint one of their allies as governor. The political instability in the oblast is expected to continue until Putin names the new governor. - Sergei Khazov in Samara

FREEDOM OF THE PRESS

ADYGEYA COURT RULES AGAINST PAPER OVER PRISON STORY. A Maikop city court ruled against Adygey's only independent newspaper after local prison authorities sued the paper for publishing the comments of a human rights group leader. The case further reduces the freedom of the local media and cuts citizens' right to full information.

In the case, the prison management sued the newspaper Zakuban'e and Tatyana Rudakova, the head of Mothers Defending the Rights of Prisoners. The journalist who wrote the article was not a party to the case nor called as a witness. The paper decided not to appeal, because doing so would cost \$40 and the editors would rather spend that money putting out future editions.

The center of the dispute was an article describing conditions at Adygeya's hard labor colony. In his story, the journalist described the positions of the prison management and human rights advocate Rudakova without taking sides. Rudakova charged that the guards systematically took "bedding, clothes, personal affects, and food [from the prisoners.] There was no medical service for the incarcerated. The pharmaceuticals they received had expired." Rudakova handed out flyers with these charges in front of the prison administration. The article also quoted the prison administrators saying that Rudakova's information was incorrect.

In his article, the journalist did not make any accusations against the prison authorities, noting that he did not have enough information to draw any conclusions. He suggested that official law enforcement agencies should be more forthcoming in their relations with society to demonstrate that they really were not violating human rights.

The court did not consider these facts in making its decision. Zakuban'e editor Vladimir Karataev warned that, with this precedent, bureaucrats could now use the courts to intervene in the newspaper's business. He claimed that the prison authorities would sue them again if they tried to write objectively about the situation in Russia's prisons.

When the paper publishes a court-ordered retraction, it is planning to publish an additional article harshly criticizing the court decision.

In this case, the prison authorities potentially are seeking revenge for an earlier case in which Rudakova had successfully sued the head of the prison authority Ali Samogov for falsely spreading the claim that she had a criminal record. In that case, the

newspaper Sovetskaya Adygeya had to apologize to her for publishing the incorrect information from the prison authority.

The newspaper Zakuban'e is the organ of the Adygeya Union of Slavs, an opposition group in the republic that defends the rights of Slavs and other groups. It is under constant pressure from the authorities. - Oleg Tsvetkov in Maikop

NOVOCHERKASSK CLOSES INDEPENDENT NEWSPAPER. Following a request by the Ministry of Culture and Mass Communications, a Rostov Oblast court has closed the opposition newspaper Novocherkassk Observer (Novocherkasskii nablyudatel') (See Russian Regional Report, 2 February for an earlier story on this newspaper). The ministry appealed to the court at the request of the Novocherkassk mayor's office, which claimed that the paper was inciting interethnic tension between Cossacks and Jews and for slandering Novocherkassk Mayor Anatolii Volkov.

The article that the city officials claim sparked interethnic tensions argued that historically there were difficult relations between Cossacks and Jews. The article claimed that for most of their history, the Cossacks were characterized by anti-Semitism, and now that the Cossacks are returning to an active role in Russian life, it is necessary to ensure that they do not return to these anti-Semitic roots. The authorities claimed that this article reflected the anti-Semitic feelings of the paper's editor Aleksei Fedorov. Jewish leaders in Novocherkassk, however, say that they are disturbed by the persecution of the journalist and note that they have no complaints against him.

The city authorities accused Fedorov of slander after he published an article which alleged that Mayor Volkov had engaged in a number of underhanded deals to obtain a luxurious apartment in the city center for a merely symbolic price. This article was based on documents whose veracity the mayor's lawyers failed to disprove.

The procurator, fearing a scandal, refused to file a criminal case at the mayor's and ministry representatives' request, so ministry officials had to take responsibility for the case themselves. They used the fact that the paper's editor had submitted a control copy of the paper one day late to file the court case. Such submissions are required by an administrative edict, not by the Russian law on the media, making it easier for the ministry officials to use these regulations for their own purposes.

As a result, Russia has lost one more democratic paper. - Aleksandr Krasnov in Rostov-na-Donu

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CENTER-PERIPHERY RELATIONS

PUTIN BACKS ILYUMZHINOV FOR STABILITY IN KALMYKIYA. On 17 March, President Vladimir Putin included Kalmykiya President Kirsan Ilyumzhinov into the membership of the State Council presidium. This body, which has relatively good access to Putin, is made up of one governor from each of Russia's seven federal districts. The members rotate every six months.

Most observers were surprised by Ilyumzhinov's appointment because they had assumed that he would be one of the first governors that Putin would replace now that he can easily fire governors. Kalmykiya gained national attention in September 2004 when the police used force to pacify a demonstration of the radical opposition in the capital city of Elista.

Ilyumzhinov sought to avoid being associated with that crackdown, pointing out that he had not made the decision to intervene. Rather, according to republican procurator Sergei Khlopushin, the decision was taken by local law enforcement agents working with Ministry of Internal Affairs officials at the Southern Federal Okrug level (*Komsomolets Kalmykii*, 6 October).

Rather than removing Ilyumzhinov, Putin has now given him strong political support. Putin's decision was purely pragmatic. Putin backs Ilyumzhinov because he has generally been able to maintain a stable economic and political situation in his region during recent months. Ilyumzhinov has made sure that there have been no cutoffs in heat and energy supplies during the winter months and did a good job preparing the local population for the reform transforming in-kind social benefits into cash disbursements, reforms that led to street protests in other regions. There were no such protests in Kalmykiya because the local population did not lose any of its benefits. Backing Ilyumzhinov, Moscow hopes that this region will remain stable at a time when many other regions of Russia's south are increasingly restive.

By including Ilyumzhinov in the State Council, Putin sent a strong signal to Ilyumzhinov's opponents that they could not expect the Russian president to remove the regional leader. The appointment also sends a signal that Putin won't be swayed by street demonstrations seeking to oust governors. Using such public methods as confronting the police to influence federal policy are unlikely to have the effect the opposition seeks. - Vladimir Volgin in Elista

REGIONAL PARLIAMENTS

REGIONAL PARLIAMENTS TAKE PLACE IN NEW SYSTEM. Russia's regional parliaments are playing a new role in Russia's post-Beslan political system. On one hand, they have more power since they must confirm the president's choice for each region's governor. On the other, they are losing influence since the Kremlin now has much more control over the governor and elections to the parliaments are conducted under a system in which half of the seats are determined by party list, presumably giving more power to the pro-Kremlin United Russia party.

The 23 March session of the Komi parliament demonstrated the new political role and standing of regional parliaments. At this meeting, the legislators rejected a proposal from the Union of Right Forces (SPS) to hold a referendum in Komi asking voters whether they wanted to restore their right to directly elect the region's governor. In September 2004 Putin abolished such elections in favor of a system in which he appointed governors with the approval of regional legislators. On the eve of the session, Central Electoral Commission Chairman Aleksandr Veshnyakov asked the deputies to reject the idea, arguing that the issue should be decided through a national referendum. However, when the SPS had tried to register a referendum at the national level, Veshnyakov had argued that such votes should take place at the regional level (*Molodezh severa*, 24 March 2005).

At the same session, the deputies amended Komi Republic's constitution so that the region would choose its executive through presidential appointment. The republican press compared the actions of the Komi legislature to those of the Tatarstan legislature. There deputies simply put on hold temporarily the clause of their regional constitution which gave regional voters the right to elect their governor directly. Thus, the presidential appointment of the leader of Tatarstan is viewed as a temporary measure, at least in the republic. Several commentators in Komi pointed out that their parliament lost even the appearance of independence.

However, the deputies also amended the regional constitution in a way to give themselves additional power. Now the governor must make regular reports to the legislature. Such a provision had existed in the constitution before, but was removed when Vladimir Torlopov became governor. Since many of the deputies were "industrial generals," influential people with their own businesses and financial resources, they were considered independent and able to exert considerable influence over the governor. However, these businesses turned out to be their Achilles' heels because every time the governor needed their vote on important issues, he would call them in one by one and explain that a vote against him would have negative effects for their business.

Now the deputies have given themselves the power to reject the governor's report to them as a way to influence his policies. The governor tried without success to block the adoption of this amendment.

The deputies also questioned the sources of the governor's support. Although the deputies increased funding for the obligatory medical insurance fund, they described it as "one of the most suspicious organizations," charging that it purposely presented its financial reports late so that the deputies did not have time to carefully examine how it spent its funds (*Zyryaskaya zhizn'*, 28 March). The fund is controlled by Aleksandr Zarubin who represents the interests of Renova, a company that sponsored the campaign of Governor Vladimir Torlopov. Today Zarubin is allegedly putting lots of money into a campaign to increase Torlopov's weight in the Kremlin corridors so that Putin will appoint him to another term. Because the fund will continue to operate under its current leader, deputies in opposition to Torlopov were not able to affect the interests of the ruling clan.

Thus the parliament demonstrated that it remains partly dependent on the governor and partly dependent on the federal authorities and has not become an independent branch of power. However, it is not totally dependent on outside support since it represents a variety of interests. Such is the case in many regions of Russia. - Yurii Shabaev in Syktyvkar

SARATOV PARLIAMENT OBJECT OF POLITICAL BATTLE. President Putin's decision to appoint Pavel Ipatov, the former head of the Balakov Atomic Energy Station, as the governor of Saratov Oblast in place of long-serving incumbent Dmitrii Ayatskov has not cooled political passions in the region. The main source of discontent is State Duma deputy Vyacheslav Volodin, who had wanted to assume the post of governor himself.

The clearest indicator of Volodin's ambition is the actions of the members of the Saratov Oblast Popular Front (NFSO). This organization was created in the fall of 2004 to spearhead the conflict with Ayatskov. Its leader is one of Volodin's closest allies: regional legislator Vyacheslav Maltsev. Immediately after Putin replaced Ayatskov, the organizers announced their intention to shut down the organization, but they soon decided to keep it functioning.

Now the group is taking aim at the Ayatskov loyalists who remain in the regional legislature. Volodin has apparently determined that if he can't be governor, he can still exert extensive control over the regional parliament. Maltsev argues that the current members of the regional parliament were elected undemocratically since Ayatskov had been able to use the powers of his office to greatly influence the outcome of the voting.

Maltsev wants to hold new elections for the body and is particularly interested in replacing speaker Sergei Shuvalov.

Ipatov has not appointed any of Volodin's allies to his new administration. So, even though Ayatskov is no longer the governor, Volodin and his team are no closer to taking power in the oblast. They hope that by gaining firm control of the regional legislature they will be able to force the governor to take their views into account. Ultimately, Volodin hopes to become the governor of Saratov and taking over the legislature is only one step in this effort. - Ilya Malyakin in Saratov

TVER UNITED RUSSIA REPLACES LEADER BEFORE CAMPAIGN. At the beginning of March, the Tver branch of the pro-Kremlin United Russia party recommended the appointment of General Vladimir Babichev, the head of the Tver Customs Service, as the new head of the party (*Tverskoi kur'er*, 5 March). The final decision is in the hands of the party's national leadership. Babichev is expected by his party colleagues to lead the party to victory in the upcoming oblast дума elections and then become speaker of the regional parliament, which plays the crucial role in approving Putin's appointment of the next governor.

Babichev started his career in the regional branch of the Federal Security Service (FSB) and then became the head of the security service for the Tveruniversalbank, the once powerful financial institution that crashed in the 1990s. He then became head of the local customs service. He unsuccessfully ran for the Tver mayor's office in the last elections. Babichev has built his political career in close contact with the secretary of the local United Russia executive committee Igor Streletskii, who is now a powerful political figure in the oblast. Streletskii's brother Yurii has since 2003 served as the federal inspector of Tver Oblast (*Veche Tveri*, 11-17 March).

The previous head of the Tver United Russia party, Sergei Golubev, leaves the party in relatively good shape. Its members dominate 20 of the region's 30 raion legislatures and count among its members 41 percent of all legislators in the region. He will likely soon be appointed to an important job in the administration of Governor Dmitrii Zelenin.

Governor Zelenin has a difficult relationship with current speaker Mark Khasainov, who is also a member of the United Russia party. Khasainov served until recently as a deputy to Golubev in the United Russia political council. Although Khasainov was recently elected mayor of Vyshnii Volochek, he has no plans to step down from his post as speaker. His position after the elections is in great doubt. According to party discipline, United Russia will try to take as many seats in the new legislature as possible and then elect its party leader as speaker. - Boris Gubman in Tver

POLICE BRUTALITY

KIRIENKO BACKS PUNISHMENT FOR GUILTY IN BASHKORTOSTAN CRACKDOWN. On 16 March the coordinating council for human rights under the auspices of presidential envoy to the Volga region Sergei Kirienko held a session to examine recent human rights cases in the region, including the December 2004 police attacks on citizens in the Bashkortostani city of Blagoveshchensk (see Russian Regional Report, February 24, 2005). Sergei Tatarchuk, who oversees the power ministries in the

envoy's office, said that he was investigating the situation. He has a team of 10 investigators looking into the violence. The reports circulated by human rights groups that did their own investigation have largely proven to be correct, he noted. Official counts show that 384 people were arrested illegally. Already the raion procurator of Blagoveshchensk has been fired and criminal charges filed against 7 members of the police, including the head of the OMON special police detachment, the head of the raion department of internal affairs, and several street cops. However, officials in the envoy's office believe that members of Bashkortostan's leadership should answer for the incident, including republican minister of internal affairs Rafael Divaev, who remains at his post.

Ella Pamfilova, head of the council to support the development of civil society institutions and human rights, argued that Divaev should not only be fired but charged with criminal violations. She stressed that punishing Divaev is important because it would send a signal to others considering carrying out such acts that they could not escape punishment.

Russian human rights ombudsman Vladimir Lukin said that he was aware of the tyranny of Bashkortostan's police earlier, but that the events in Blagoveshchensk demonstrated that there were problems at the very top of the police hierarchy. He said that the events in Blagoveshchensk provided evidence that there is now a battle seeking to demonstrate who is stronger: the corrupt police active in Bashkortostan and other regions or those who want to improve the human rights situation.

There is considerable cause for concern about the outcome of this struggle because the abusers in Bashkortostan are now showing their strength. The former Bashkortostan deputy minister of internal affairs in charge of personnel, the very person who was in charge of training the officers who went on the rampage, was recently appointed human rights ombudsman in the republic. The Blagoveshchensk procurator who was recently fired is now seeking a spot as a federal judge. Kirienko expressed support for the speakers and promised to back efforts to improve the human rights situation in Bashkortostan. - Andrei Suslov in Nizhnii Novgorod and Perm

CRIME

ANOTHER SAMARA LAND OFFICIAL ATTACKED. Unknown assailants attacked Samara Vice Mayor Anatolii Mashchelkin on 22 March, the third attack on an important city official in the last two years. Earlier attacks focused on Kirov Raion head Yurii Denisov and Oktyabr Raion head Konstantin Fomenko. Mashchelkin was wounded after the explosion of a hand grenade placed near the entrance of his apartment building and is now recovering in the hospital.

In the mayor's office, Mashchelkin deals with financial and construction issues. He hands out rights to develop land in Samara. Over the last two years, the number of firms involved in building apartments has increased. These firms depend on city officials who issue permits to build. Bureaucrats often solicit bribes for handing out such licenses, according to the local newspaper *Reporter*. The procurator has launched an investigation. - Sergei Khazov in Samara

LAW ENFORCEMENT AGENCIES

ADEGEYA POLICE MISHANDLE MONEY INTENDED FOR CHECHEN REFUGEES. Ministry of Internal Affairs (MVD) and Finance Ministry inspectors from Moscow and Rostov-na-Donu have determined that Adegeya police are doing a poor job distributing money to citizens who lost their housing in Chechnya and now live in the republic. According to the report, the federal government provided 18.5 million rubles in compensation to families from Chechnya in 2002, but only 8 million rubles was distributed to them, about 43 percent of the total. In 2003, the situation was worse: federal authorities handed over 24.4 million rubles, but the intended recipients received only 1.4 million rubles, about 6 percent of what they should have. Over the two years, 33.5 million rubles was diverted from its intended use. So far the authorities have not determined who was responsible for these abuses nor has anyone faced sanctions. The only punishment meted out was that the head of the MVD's Department for Migrant Affairs received a symbolic punishment in the form of a reprimand.

The inspectors also found extensive corruption in the ministry's procurement procedures. The police paid too much for license plates and tickets that they had printed up. They also ordered the construction of a new office building in violation of numerous laws. In this case, the republican police lacked the required federal approval and the contract did not define when the job would be completed or what the final cost would be. The overseer who was supposed to monitor these expenses was bought off by being included in department for providing security services to non-ministerial customers, another violation of the law. - Oleg Tsvetkov in Maikop

LOCAL GOVERNMENT

TYUMEN ADOPTS CITY MANAGER FORM OF GOVERNMENT. The members of the Tyumen city дума have overhauled their city charter, replacing direct elections of the mayor with a system in which the city дума elects the mayor from among its membership and this person works with an appointed city manager. A specially appointed commission will choose the city manager and he will be hired for a defined-term contract. The commission will contain all 16 members of the city дума and 8 representatives of the oblast legislature.

The city дума adopted the new system unanimously. It is one of three types of local government systems authorized by Russia's recently adopted law on local government.

The institutional change comes as Tyumen is getting a new mayor. Tyumen Governor Sergei Sobyenin recently appointed the current mayor Stepan Kirichuk as his representative to the Federation Council. The deputies argued that the new system would work better because the city would not have to pay for elections and clean up all of the campaign flyers posted around town during the typical campaign season. The new mayor is now city дума speaker Sergei Medvedev.

The new city manager must be between the ages of 35 and 60 and must have either a legal or economics background and three years relevant work experience. The most likely person to end up with the position is Deputy Governor Vladimir Yakushev. Since Kirichuk has already left for the Federation Council, Yakushev is largely running the city.

The deputies also changed the city charter so that the number of members in the city дума will increase from 16 to 35. This change will take place when the members' current term expires. - Elena Arbatskaya in Tyumen

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CENTER-PERIPHERY RELATIONS

ALTAI KRAI GOVERNOR IMPEACHED... On 31 March, 46 out of the 52 deputies of the Altai Krai Legislative Assembly voted no confidence in Governor Mikhail Yevdokimov. Majority support in the regional parliament is now key to the political survival of governors. In accordance with the 2004 federal law on regional political institutions, if two thirds of the members of a regional legislature support a motion of no-confidence in their governor, the Russian president decides his fate. Putin summoned Yevdokimov to Moscow on 1 April and a decision is awaited.

Yevdokimov has held the post for one year. His victory over the incumbent Alexander Surikov in a second round run-off in April 2004 surprised observers. Yevdokimov, a native of Altai krai, was well-known throughout Russia as a stand-up comedian but had no prior experience in politics. Most assumed that Surikov had a third term locked up since he combined support from across the political spectrum, including from United Russia and the Communist Party of the Russian Federation, with the administrative resources at the governor's disposal and the backing of the region's business elite (*Kommersant Daily*, 7 April 2004). But despite this consolidated political power, the public voted him out of office. Yevdokimov's victory aggravated the Presidential Administration which had largely kept out of Altai krai's election. Some commentators argued that the election of 'the joker' Yevdokimov convinced Putin that popular elections for regional leaders should be abandoned (*Pravda*, 29 September 2004), a step he took after the Beslan crisis.

Yevdokimov failed to win over the legislature during his first year in office. A majority of the deputies and the regional leaders of United Russia, the Union of Right-Wing Forces (SPS), the Communist Party, and the Agrarian Party actively opposed him. Putin's political reforms inspired deputies to seek Yevdokimov's removal. In March they called for his resignation, presumably encouraged by President Putin's removal in February of Vladimir Loginov, the governor of the Koryak Autonomous Okrug, before the completion of his term. The Altai legislators accuse their governor of the same failures that brought Loginov down, namely exacerbating the region's economic problems and mismanaging the winter heating system.

The long list of grievances put forward by Altai krai deputies against Yevdokimov focuses on two crises in the region. First, deputies accuse the governor of causing heating and hot water shortages during the past winter by changing coal suppliers (*gazeta.ru* 11 March). Second, they claim that his administration was unprepared for implementing the social security reform in January this year. The "Benefits Monetization" law made the regions responsible for paying cash compensation to citizens for previous entitlements to benefits such as free public transport and prescriptions. This new obligation has put untold strain on the region's finances and triggered a budgetary crisis.

Altai krai's budget depends heavily on federal subsidies. In 2003 transfers from the center amounted to 10.5 billion rubles and in 2004, the figure reached 11 billion. It is the third largest recipient region after Dagestan and Sakha. The region was already in crisis at the time of the 2004 election and the governor's supporters assert that Yevdokimov should not be expected to resolve these long-standing problems after only one year in office. But there had been an upturn in the krai's socio-economic indicators in 2003, which the new governor failed to build upon. Under his stewardship, industrial and agricultural output both declined significantly, there was no investment, wage arrears increased, and the standard of living fell (40 percent of the population live below the poverty line and the average monthly salary is 4,500 rubles, about \$170). Yevdokimov had some harebrained schemes for making the region prosperous. First, he promised that the region would get rich from oil, but when geologists discredited this idea, he announced that the extraction of gold from deposits in the southeast of the region would double within a decade. However, he never presented a strategy for attracting the requisite investment.

The administration's economic and business policies undermined powerful vested interests. The decision to change coal suppliers, which is explained by Yevdokimov's close relationship with Altaienergo, was particularly troublesome. Alexander Nazarchuk, speaker of the Altai krai legislative assembly for over nine years, and other deputies allegedly sought revenge on Yevdokimov for 'cutting off financial flows' to them and their businessmen allies (*gazeta.ru* 5 April). The conspiracy theories rife in Barnaul this week allege that Nazarchuk was the instigator of the impeachment attempt.

The governor has some support from certain municipal and district politicians and the general public. A petition with 46,000 signatures has been sent to President Putin defending Yevdokimov as a 'governor of the people' and asking the president not to dismiss him (Altai krai administration official website, www.altaregion.ru, 8 April). Public demonstrations have been held in support of the governor: 1,000 people in Barnaul, the capital of Altai krai, on 8 April and 2,000 on 10 April in Rubtsovsk.

The demonstrators are adamant that the electorate voted for Yevdokimov and that the deputies - who had been elected prior to the governor elections in 2004 - are

not expressing the will of the people in seeking the governor's dismissal. Putin is unlikely to make up his mind on the basis of street demonstrations. And, events in Altai krai will consequently give further grounds for critics of Putin's federal reforms to claim that the law revoking the popular election of regional leaders is undemocratic.

President Putin can either arbitrate with the regional legislature or dismiss the governor. Then, in accordance with the December 2004 legislation on the appointment of governors, presidential envoy to the Siberian Federal District Anatoly Kvashnin will propose two candidates to the president who then proposes a candidate to the Altai krai legislature. Two names believed to be under consideration to replace Yevdokimov are Andrei Yurin, who was a deputy governor under Alexander Surikov and is now in Moscow at the Ministry of Finance, and Yurii Shamkov, a deputy in the Altai Krai legislature and chair of the Committee on Economics, Enterprise and Property. Kvashnin refused to comment on this speculation last week. - Kathryn Pinnick

...AS GORNY ALTAI OPPOSITION WATCHES. Meanwhile next door, in Gorny Altai Republic, on 1 April, a number of deputies in the republican legislature tried to initiate impeachment procedures against Governor Mikhail Lapshin. The measure failed when the no confidence motion was 6 votes short of the two-thirds majority required (22 out of 41 deputies voted for it). Lapshin's critics accuse him of failing to deal with the consequences of the September 2003 earthquake which destroyed 900 homes and several hospitals and schools.

Lapshin's opponents are watching events in neighboring Altai krai closely; their next move depends on what Putin decides to do about Yevdokimov. Dismissal of Altai krai's governor would encourage opposition deputies in Gorny Altai to seek enough support to ensure that a second vote of no confidence is successful.

Lapshin has a reputation for ruling with a strong arm and using dirt tricks to sideline his opponents. He predicted last week that there would not be an 'Orange' or 'Tulip' revolution (referring to the overturning of the leaders in Ukraine and Kyrgyzstan) in Gorny Altai (*RIA Siberia*, 1 April).

Another scenario is that Lapshin's opponents will hold out until the scheduled October 2005 gubernatorial elections. Analysts in the region are sure that the Kremlin will not allow Lapshin to run again. Political-infighting and corruption are obstructing the region's economic development. Additionally, Lapshin antagonized the federal government by "defending the farmers" when he was chairman of the Agrarian Party (until May 2004). - Kathryn Pinnick

CORRUPTION

KARELIA OFFICIALS BUILD ILLEGAL DACHAS. Ten kilometers from Karelia's capital Petrozavodsk is the village of Verkhonii Besovets. It is located on the picturesque banks of the river Shuya. There are some houses for local residents and fisheries that produce salmon and trout. The area is close to a major road and the airport.

Since the beginning of the decade, some have begun building fancy dachas and bath houses right on the water's edge. Local residents filed a complaint with the procurator, who dutifully began an investigation. The houses are 40-50 meters from the river even though Russian law forbids construction within 100 meters.

Local newspapers have already begun naming those who gained the right to build in this location. Among the lucky owners are the chairman of the republic's legislature, the former republican economics minister, the former head of the forestry industry committee, the former head of water resources, the former head of the local border guard, the republican minister of internal affairs (MVD), and many others. When the republican police chief built a vacation house, there also appeared a traffic police booth nearby in order to protect the official's property. The procurator is expected to finish his investigation by the beginning of summer.

In a similar case in Moscow Oblast, the court ruled that 13 dacha owners who built houses too close to a dam had to tear down the buildings at their own expense and pay a fine. The residents of Verkhni Besovets would be happy with such an outcome.

The dacha situation has already brought more openness to Karelia. As local papers were reporting on the situation, Russian Minister of Internal Affairs Rashid Nurgaliev visited the region. While no one knows whether he read the stories, rumors currently circulating suggest that the republic's police chief might lose his job in the near future. - Maksim Timofeev in Petrozavodsk

KAZANTSEV'S SOLDIER/SERVANT MURDERED. Former presidential envoy to the southern federal district Viktor Kazantsev's house servant was murdered by a group of thieves who entered his house. The servant was a conscripted soldier who, in violation of Russian law, worked in Kazantsev's house to provide security and carry out a variety of household chores.

At Kazantsev's demand, the 18-year soldier was taken from the Rostov garrison to work in the general's house. Public opinion is deeply distressed about Kazantsev's actions. In commenting on the events, Kazantsev claimed that nothing important had happened, though he was, of course, sorry about the death of the young man.

Such an attitude toward rank-and-file soldiers, and even young officers, is typical in the Russian army. According to unofficial information from the Rostov Oblast procurator's office, neither General Kazantsev, nor the head of the Rostov garrison will be held responsible for the fact that the murdered soldier was illegally taken from the garrison and employed in the general's house. The authorities are doing everything they can to cover up the scandal. However, the story keeps evolving. According to some sources, the soldier was employed in Kazantsev's house at the demand of the general's wife.

Observers of the scandal surrounding Kazantsev suggest that the use of such labor is not uncommon among top military officials. Essentially working as slaves, many soldiers build homes and dachas for high ranking officers. This practice leads to the growth of corruption in the army and its demoralization. No measures are expected to be taken to improve the situation.

According to current practices, the soldier's death will not be recognized as having occurred while he was performing his duty and therefore his family will not receive compensation. - Aleksandr Krasnov in Rostov-na-Donu

FSB DISCUSSES WAY TO COMBAT CORRUPTION IN SOUTH. The latest issue of the southern federal district newspaper "Southern Federal" described a meeting of southern federal district Federal Security Service leaders at the end of March in Vladikavkaz. The purpose of the meeting was to discuss ways to combat

corruption, but the account of the session offered no hope that the battle would be successful.

The heads of the security agencies claimed that the root of corruption in the region lies in the wide-spread clan relations. However, abolishing the clan basis of politics is hardly a task that the FSB can accomplish. Such an effort would require transforming the gist of all domestic politics, which is based on the totality of relations between federal and regional clans.

The most influential regional clans, especially in the republics are the regional elites, which frequently have the protection of the Kremlin. The FSB seems extremely unlikely to go after these groups.

What will be the result of the FSB's battle with clans in current conditions? Most likely they will go after insignificant players belonging to weak or secondary clans. The exposed corrupt officials will most likely not belong to the untouchable regional leaders or their close circle.

In addition to fighting with clans, at the meeting in Vladikavkaz, the FSB said that it would make a contribution to the battle against corruption by helping "federal and regional authorities in making important personnel decisions."

These are the words of the chairman of the council of security agencies in the southern federal district, Lt. Gen. Nikolai Britvin and they put observers on guard. The FSB could make mistakes in evaluating the loyalty of candidates for various positions because in current conditions any, even the most innocuous, criticism could be interpreted as disloyalty, or even hostility, to the Putin regime. The most prepared candidates, who because of their professional qualities must explain to the regime obvious mistakes, will be deprived of the chance to perform government service.

The FSB officials pointed out that it was necessary to defend from corruption important segments of the economy, such as foreign relations, the energy complex, federal programs, and large investment projects. They pointed to the need to fight corruption in the procurator's office, courts, ministry of internal affairs, ministry of justice, and the tax services.

At the meeting, there were many general speeches repeating things that long ago appeared on the pages of the independent press. The special services have clearly come late to the conclusion that "corruption in the state and municipal organs and the judicial system is discrediting the policy of the federal center." - Oleg Tsvetkov in Maikop

RELIGION

BASHKORTOSTAN OPPOSES INTRODUCTION OF ORTHODOXY TO SCHOOLS. When the Bolsheviks came to power in the early part of the twentieth century, they sought to reduce the influence of the Russian Orthodox Church and made it impossible for priests to teach about religious issues in the country's schools. The Soviet authorities then sought to instill an atheistic sense of morality in its school system.

Today the Russian state is rejecting the policies of atheism and is returning to a policy of state-based orthodoxy, including in the schools. The federal Ministry of Education does not hide its close cooperation with the Russian Orthodox Church. In particular, the ministry has supported the church's proposal to include a new topic in schools entitled "Foundations of Orthodox Culture." To implement this plan, they have created a coordinating council, whose co-chairmen are Deputy Education

Minister Leonid Grebnev and the Moscow Patriarch's business manager Archbishop for Kaluga and Borova Kliment.

School children have been studying Orthodox traditions in one third of the regions for the last several years and several other regions are studying ways to implement this innovation. Now the question is whether this practice can become a full-blooded state policy. The education ministry is already preparing an amendment to the federal law on education, which would allow the introduction of Orthodoxy into state and municipal schools.

The State Duma committee on education, headed by Aleksandr Shishlov from the liberal Yabloko party, filed a negative report on the proposal, claiming that it violates the Russian constitution which establishes the secular character of the Russian state. He suggested a compromise in which the schools would teach the basics of all religions traditional for Russia. But the Orthodox Church was sharply opposed.

The supporters of the proposal say that it is necessary to teach Orthodoxy in Russian schools because they are still focused on teaching atheism. They also assert that without an understanding of Orthodoxy, the secular education would not be of high quality. They frequently point out that the majority of the population is Orthodox.

Many of Russia's Muslim leaders are against a return to state Orthodoxy. The chairman of the Council of Muftis of Russia Ravil Gainutdin argues that teaching the basics of Orthodoxy in Russian schools would violate the rights of those students who belong to other religions. As many as 20 million Russians are Muslims. He suggests that Russian schools teach about all of the religions that traditionally have been present in Russia. He says that this ecumenicalism would help bring together children of all religions, rather than dividing them. Nevertheless, he does not rule out the right of national republics, such as Bashkortostan, Tatarstan, and Dagestan, to teach the foundations of Islam as a separate topic. Like the Muslim religious leaders, the presidential administration of Bashkortostan is strongly opposed to the introduction of Orthodoxy into the republic's schools (www.rosbalt.ru/2004/01/27/140656.html). - Igor Rabinovich in Ufa

ELECTIONS

SARATOV VOTERS IGNORE REFERENDUM ON MAYORAL ELECTIONS.

On 27 March, Saratov conducted a referendum asking city voters whether they thought that the mayor should be elected directly by city residents. The results were invalid because only 7.3 percent of the voters participated, well short of the necessary 50 percent turnout.

Currently members of the city дума elect the Saratov mayor from among their ranks. The only effort to hold direct mayoral elections in the city took place in 1996, but it was not carried through to a conclusion. That year former governor Dmitrii Ayatskov came to power and he suggested an alternative method for electing mayors in Saratov Oblast that did not involve the population directly.

The initiator of the referendum was Aleksei Poleshchikov, a young, ambitious politician who is currently the chairman of the city дума committee on social policy and the head of the social movement "For Justice." Many believe that he would like to run for the office himself. The other members of the city дума did not hide their opposition to the proposal. After the vote, Poleshchikov blamed the low turnout on

sabotage by the city authorities, who he claimed spread confusing information about the elections.

Current Saratov mayor Yurii Aksenenko said that the failure of the referendum was a political loss for Poleshchikov and another argument in favor of appointing the city's mayor. Aksenenko also accused Poleshchikov of using 18 million rubles from the oblast budget, eating up most of the 20 million budgeted this year for conducting local elections. Of course, the failure of the referendum does not mean the end of political battles in the city. - Ilya Malyakin in Saratov

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American University and the Transnational Crime and Corruption Center

In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government and private foundations, TraCCC's basic goal is to better understand the causes and scope of transnational crime and corruption and to propose well-grounded policy. Much of our work to date has focused on the analysis of transnational crime and corruption in the countries of the former Soviet Union. In achieving our goals, we work with the public, media, law enforcement, policymaking, legislative, judicial, academic and business communities. To undertake this kind of collaborative work, we have partnered with the best scholars and practitioners in Russia, Ukraine and Georgia through multidisciplinary research centers.

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The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland.

Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

The Center for Security Studies specializes in the field of national and international security studies. Activities include research, teaching, and information services. Since its founding in 1986, the center has developed two electronic information services - the International Relations and Security Network (ISN) and the Information Management System for Mine Action (IMSMA). Due to the steady growth in research activities and the increasing number of tasks and functions it undertakes, the center now has a staff of about 75 people working in research and teaching. It is part of an international network of scientific institutions and organizations and cooperates with numerous partners. The center's expertise has made it an important resource for public administrators and the media, and the center functions as a political consultant to the Swiss Federal Government.

COMMENTS AND QUESTIONS

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BUSINESS AND POLITICS

PROCURATOR ACCUSES KOMI GOVERNOR OVER BIG BUSINESS DEALS. On 14 May Komi governor Vladimir Torlopov emphatically denounced the charges of the republican procurator that his practice of signing agreements with large corporations working in the republic violated Russia's anti-monopoly legislation. The charge focused in particular on deals that Torlopov had signed with oil major Lukoil and forestry giant Mondi Business Paper, which owns the Syktyvkar paper mill. In his defense, Torlopov argued that the practice of signing agreements between regional governments and big companies existed in many regions and that elsewhere the demands of the authorities on the companies were even greater. With this statement, Torlopov seemed to say that the Komi government had a special relationship with the companies, though that is probably not what he meant to imply.

In early May, the federal Anti-Monopoly Service charged that the agreement Torlopov signed with Lukoil in 2002 and a subsequent 19 March 2002 protocol were illegal. At the time, Torlopov loudly advertised this agreement as one of his cardinal achievements.

The question of the agreement's legality arose in the course of the procurator's investigation of the activities of the governor's off-budget fund. This investigation was instigated at the request of State Duma member Yurii Spiridonov, the former governor whom Torlopov defeated upon taking office himself.

Spiridonov charged that Lukoil and Mondi received preferences for the money that they contributed to this fund. For example, in regard to Lukoil, the Komi government took on the responsibility of:

-- helping Lukoil subsidiaries develop their raw material bases and identify new deposits;

-- facilitating the acquisition of land for the construction of new oil storage facilities, gas stations and other sites and helping receive the necessary permissions with the monitoring and inspection agencies in carrying out projects;
-- making decisions on holding open or closed competitions on sites of interest to Lukoil depending on applications from the company (*Zyryanskaya zhizn'*, 9 May).

Thus the Komi government has effectively become an official lobbyist for the interests of the big companies. The government is extremely active in this lobbyist work even though it is not clear that such work is legal or that it serves the larger interests of the republic.

The firms are happy to receive the preferences, but that does not mean that they conform their plans with the interests of the republic. Thus Lukoil is reducing the amount of crude oil that it sends to Komi's only refinery in the city of Ukhta because it is not profitable for the company to process its oil there. The high monopoly prices Lukoil charges for gasoline in the republic also do not serve regional interests. Nor does it help that Lukoil is driving all of the small oil drilling companies out of the market. Moreover, Lukoil pays most of its taxes outside of the republic, so Komi does not benefit from this potential income.

The republic also does not benefit as much as it would like from the policies of Mondi which refused to buy timber in some parts of the republic because of the high transportation costs.

The Komi government does not complain about any of these actions by the large firms, raising questions about the true nature of the relations between business and the authorities. - Yuri Shabaev in *Syktyvkar*

TOMSK SOCCER TEAM DRAWS HEAVILY ON REGIONAL BUDGET. The year 2004 was exceptional in two ways for Tomsk Oblast: the region celebrated its 400th anniversary and the local soccer team 'Tom' became the first Siberian team to enter the national premier league, the best in Russia.

The fans' euphoria, however, soon abated in the face of more pragmatic issues: premier league membership entails expanded obligations and much higher costs. Despite local enthusiasm for Siberian soccer, the oblast budget can only afford nominal support.

The financial history of the team during the past decade reflects a key structural problem with the regional economy: Tomsk is heavily dependent on a small number of large resource extracting companies. These firms work on the national scale and have interests extending far beyond Tomsk. In 1995, the team managers succeeded in enlisting the support of Viktor Kalyuzhny, then head of the local oil company Tomskneft (Kalyuzhny later became Russian fuel and energy minister and now is Russian ambassador to Latvia). When Yukos acquired Tomskneft in 1998, the team lost the support of the oil sponsor. It had to struggle through two difficult years until it was "adopted" in 2000 by Vostoktransgaz, a newly established Siberian subsidiary of the powerful Gazprom. Over the next four years, Vostoktransgaz spent about \$10 million on Tomsk soccer. In 2004, 'Tom' was able to bring together a solid budget of 200 million rubles (about \$7.5 million) to concentrate on finally breaking through to the top echelon of competitive soccer.

Now that it is competing with Russia's best, the team is facing the hard fact that the oblast economy lacks sufficient financial resources to support a team at the national level. A premier-league soccer team is "invaluable for the image of the region" and a useful asset for attracting investment, according to Boris Maltzev, long-time chairman of the oblast Duma. Yet, the oblast authorities are only prepared to spend money on the 'Tom' club facilities that are part of the city infrastructure. The main hope is that Tomsk governor Viktor Kress will be able to secure sponsorship from Gazprom itself, not just its regional branch. In a series of meetings with Gazprom head Alexei Miller, Kress obtained a preliminary agreement for support, however the official papers have yet to be signed.

Part of the problem comes from the fact that Gazprom is already the general sponsor of the St. Petersburg-based Zenit soccer team, a major premier-league contender. When raising the prospect of the Gazprom sponsorship, Kress jokingly pledged to Miller that in return for the support, Tom' would lose its games to the St. Petersburg team. However, on 10 April Tom' used its home field advantage to defeat Zenit 2-0, ending the latter's winning streak of several games. Though his presence was expected, Miller did not show up for the match. Several days later, upon meeting Kress during the Hanover international fair, the Gazprom head reproached Kress for his broken promise. Despite this awkward situation, Gazprom remains the central object of fund-raising plans for the Tomsk team. The team hopes to secure \$12-15 million, according to media reports, which also point out that Zenit receives approximately \$50 million.

While the sponsorship money remains unsecured, Tom' is living through its first top-league months on credit borrowed from regional banks under the guarantee of the oblast government. The team currently has a debt of 80 million rubles. When the local utility threatened to shut off the stadium lights because of its 200,000 rubles in unpaid electricity bills, the oblast also stepped in to pay off the debt.

The oblast will not go too far in supporting the team because many believe that the team already has too much money, especially since many of the players have salaries higher than the mayor's. Also the regional officials believe that the team ought to run on a market basis.

With the admission fees for the premier-league games in the renovated Tom stadium noticeably higher than they had been in the past, the fans have also started to feel the downside of "big" soccer. Some long-time fans have boycotted the games (watching on television rather than at the stadium) because they believe that the season tickets are overpriced at 3,000 to 5,000 rubles (\$110 to \$185) a season and the team should not make money off its fans. Nevertheless, hopes and enthusiasm are running high for all the parties involved: the team, the fans, and the oblast.

By way of comparison, in Vladivostok, the local soccer team is one notch below the premier league. Its annual budget is \$12 million, drawing mainly on the regional budget and the Dalenergo electric utility. However, in Vladivostok there is essentially no money left over for building public soccer fields or sponsoring youth leagues. In Tomsk, however, the city and a host of sponsors support thriving public soccer leagues. - Alla Kassianova in Tomsk

CENTER-PERIPHERY RELATIONS

ADYGEYA POLITICIANS SEEK TO REMOVE FEDERAL OFFICIAL. On 18 April, the Adegeya Cabinet of Ministers demanded that the presidential administration and presidential envoy to southern Russia Dmitrii Kozak fire Chief Federal Inspector Anatolii Odeichuk, effectively the top federal official in the republic. In line with this demand, the local media, which is controlled by the republican authorities, has published a series of articles denouncing Odeichuk in mocking terms.

Odeichuk aroused the ire of the republican establishment with an interview in *Izvestiya Yug* in which he made extremely critical comments about Adegeya (*Izvestiya Yug*, 14 April, http://pressa.kuban.info/article/izvestia_yug/10721/). The headline of the article was "Things have turned out so that I rule Adygeya."

The republican authorities were particularly incensed with Odeichuk's comparisons of Adygeya and Krasnodar Krai, which surrounds it. Odeichuk contrasted Adygeya's poverty with the krai's wealth. The republican authorities are opposed to proposals to merge the republic and krai and do not want to let stand positive evaluations of life in the krai. The chief federal inspector, whose territory includes Krasnodar Krai as well as Adygeya, called Adygeya a "sleepy kingdom" where no work gets done. He argued that people in Adygeya "receive subsidies and are satisfied" with their situation. People live much better in Krasnodar he noted. He warn Adygeya that "the state provides 70 percent of your income, but now the state will cut this aid, and then what will you do?"

Odeichuk claimed that he handled most personnel decisions in the republic. "I suggest the removal of whomever is not appropriate and things have turned out so that I rule Adygeya."

Of Adygeya president Khazret Sovmen, whose personal fortune is estimated at \$400 million, Odeichuk said that he was not a politician, but more of a work team organizer. According to Odeichuk, Sovmen rarely showed up for work in the republic, serving only four days in the last four months, because he allegedly had to spend time abroad to ensure that he maintained property rights to the land he owned there.

The Cabinet described Odeichuk's interview as based on "crude falsifications, lies, and slander" which insulted president Sovmen and the republic's population. Articles in the local press have denounced him in harsh tones that are not even used on low level bureaucrats. One local newspaper claimed that Odeichuk celebrated his 50th birthday in Adygeya and collected so many presents from people seeking favors that he had to hire a truck to take them back home to Krasnodar.

Kozak is now in an extremely difficult position. If he fires Odeichuk under pressure from the republican elite, it will be seen as weakness on the part of the federal government. If Kozak leaves Odeichuk in place, the local authorities will continue to criticize him, creating new challenges for the federal authorities.

In his interview, Odeichuk gave out several details of how the federal government works in the regions. He said that when Viktor Kazantsev was Putin's representative in the south, his wife conducted his personnel policy. "If someone did not give Tamara Valentinovna the right kind of flowers, he lost his job the next day," Odeichuk asserted. Putin fired Kazantsev immediately after he won election to a second term.

As this example shows, the low professional and moral qualities of the federal civil service is the main reason that Putin's efforts to strength federal power in the regions has been a complete failure, according to Vladimir Karataev, a member of the Adygeya legislature. He suggested that Putin's policies have essentially returned to the level where Yel'tin's policy left off five years ago in the majority of Russia's republics. - Oleg Tsvetkov in Maikop

NEW SARATOV GOVERNOR FAILS TO APPOINT SUBORDINATES. Newly appointed Saratov governor Pavel Ipatov, the first governor Putin appointed to replace a directly elected regional executive, has so far failed to name his key subordinates. Ipatov's inauguration ceremony took place on 5 April. Both of the previous governors of Saratov, Yurii Belikh (1992-96) and Dmitrii Ayatskov (1996-2005), had managed to appoint their key lieutenants by this point in their term, as do most other governors in Russia. Ipatov's failure to move quickly in filling his administration suggests that he lacks a strong personnel reserve to call on in addressing Saratov's problems.

Nothing has happened in the last two weeks. Most importantly, Ipatov has not named a first deputy governor to handle to deal with financial and economic issues. He also needs to fill two other deputy governors' posts and several ministerial slots.

At a 12 May press conference, Ipatov said that he would fill the rest of the positions by the fall, leaving key leadership positions open for three to four months. Unconvincingly, Ipatov claimed that everything is going according to plan: he will leave many key figures in place from former governor Ayatskov's regime and replace the ones who do not perform well in the fall.

Regarding the key economic post, Ipatov said that he simply had not found anyone to handle this aspect of regional policy. As a result, the oblast economics ministry is starting to degrade as its employees anticipate major changes. Additionally, Ipatov has failed to name a deputy governor who will reside in Moscow and represent the region in the capital. Ipatov established this position himself and observers had assumed that he had someone in mind for the position.

As Ipatov moves slowly to hire key subordinates, his standing with the public is dropping. One of his main critics is State Duma deputy Vyacheslav Volodin, who had been one of former Governor's Ayatskov's chief rivals. In filling his staff, the new governor has to pick

between people who had served on Ayatskov's team and those tied to Volodin. Trying to balance between these two mutually antagonistic groups has proved difficult and ineffective. To win the approval of his appointments, Ipatov must have the support of the oblast дума. However, Volodin's allies control this body and Ipatov has so far refused to confront them directly, such as through the appointment of Sergei Lisovskii as deputy governor since Lisovskii is a visible representative of Ayatskov's team.

Overall, Ipatov has so far failed to resolve the main problem that the presidential administration assigned him. Not only has the political confrontation that ruled the region in recent years continued, but Ipatov is risking the possibility that he will simply take Ayatskov's place in the struggle. In these conditions, it seems unlikely that he will be able to name an effective team. As a result, his administration may give up on the task of managing and simply focus on fighting its political opponents. - Ilya Malyakin in Saratov

PUTIN REAPPOINTS TITOV AS SAMARA GOVERNOR. On 25 April President Putin appointed Konstantin Titov as governor of Samara and the regional parliament unanimously approved this choice the next day. Titov has served as governor of the region since August 1991, when Yeltsin originally appointed him governor. His current term was set to expire in the summer of 2005, but he resigned early in an effort to secure Putin's nomination for the post. Titov had had difficult relations with the Kremlin after he ran for president in 2000 against Putin.

In explaining the appointment, presidential envoy to the Volga Federal District Sergei Kirienko announced that in examining the candidates for the governor's office, the presidential administration noted that Samara had achieved the best economic results in the Volga thanks to Titov. On taking office for another term, Titov said that he is willing to work with all political parties for the good of the region. He said that he would continue cooperating with the investment programs established with the backing of the US government and EBRD. He said that he would also continue to sponsor international programs supporting democratic and social initiatives in the area of civil society and a program to combat corruption among bureaucrats and the law enforcement, military, and security agencies. - Sergei Khazov in Samara

ILLEGAL MIGRATION

FSB BREAKS UP GROUP ON RUSSIAN-UKRAINIAN BORDER. On 16 April a Kursk court handed down a sentence against ten individuals who were part of a group that helped illegal migrants from the countries of Central and South Eastern Asia cross the Russian border into Ukraine on their way to Western Europe. The group operated in Kursk and Bryansk oblasts in Russia and Sumy Oblast in Ukraine.

Aleksandr Kotov, allegedly well known in criminal circles in Russia and Ukraine, organized the group in 2001, according to the FSB (*Drug dlya druga*, April 27). Born in Ukraine, Kotov moved to Kursk five years ago and received Russian citizenship. He then began to organize the illegal migration of citizens from China, Vietnam, India, and Afghanistan through Russia. The oblasts served as his base of operations for the migrants. While he was operating, the local papers frequently reported on the arrest of dozens of citizens from these Asian countries. The illegal migrants often spent several weeks in Kursk and Bryansk oblasts waiting to cross the border. In some cases they formed ethnic crime groups and attacked local residents. Internationally wanted criminals also apparently used this channel for crossing the border.

Having defeated several competitor groups, including through shootouts, Kotov was able to operate along 300 kilometers of the border. But this wider sphere of activity also led to more arrests. Based on information from one Afghan migrant caught on the border, the authorities were able to arrest an Afghan in Moscow who was sending his countrymen across the border to Ukraine. The flow of such Afghan "tourists" quickly dried up.

Initially, Kotov remained free while the authorities were able to arrest rank-and-file couriers taking small groups across the border. The authorities' break came at the end of last year. In December 2004, the border guards arrested a truck that was hiding 48 Chinese amid sacks of potatoes. Thanks to this case, the FSB ultimately gathered enough evidence to arrest Kotov and nine of his colleagues. At the same time, the Ukrainian authorities arrested a Ukrainian working on that side of the border. - Sergei Sarychev in Kursk

REGIONAL POLITICS

NEW CLAN STARTS TO SQUEEZE ILYUMZHINOV IN KALMYKIA. On 21 April, the Kalmykia legislature elected Igor Kichikov as its new speaker. Kichikov is seen as an ally of Radii Burulov, mayor of republican capital Elista. The mayor directly supported Kichikov's rising political career in the capital and his transition to republican politics. Many experts see Burulov as a potential successor to Kirsan Ilyumzhinov as the president of the republic and naturally it is important for him to have a close ally at the head of the legislature.

Ilyumzhinov has long ruled the republic and seems to have won the Kremlin's favor by maintaining relative stability. In the past the republic was an off-shore zone and a journalist who investigated local corruption died in unexplained circumstances.

Kichikov comes from a powerful political family. His wife, Lilia is a deputy in the Elista city council and his brother Oleg is the republican minister of construction and housing, with the rank of deputy premier.

Kichikov, 43, is a doctor by training. In the middle of the 1990s he quit practicing and opened his own pharmaceutical firm, Astorat-Elista, and headed a branch of the Rosno-M insurance company. Ultimately he became chairman of the Elista Union of Entrepreneurs. Kichikov entered politics in 2001 when he was elected to the Elista city council. In two years, he won election to the republican legislature, where he chaired the committee on budget and tax policy.

Kichikov's opponent in the elections was Lev Mukhlaev, who apparently had Ilyumzhinov's backing. Mukhlaev's loss thus seems to represent a weakening of Ilyumzhinov's influence in the legislature. The previous speaker, Vyacheslav Bembetov owed his political career to Ilyumzhinov and was a loyal ally. He died of a heart attack at the age of 46.

Despite Bembetov's loyalty to Ilyumzhinov, he managed to win the election of a group of deputies close to him in the 2003 legislative elections. This group has now chosen Kichikov as its new leader. Moreover, in doing so, it has expressed a certain degree of independence. Now all the other clans of Kalmykia's ruling elite will have to deal with this new clan. - Vladimir Volgin in Elista

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YUKOS AFFAIR

LEGAL SCHOLARS CRITICIZE KREMLIN LINE ON KHODORKOVSKY.

On 13-14 May the Saratov Transnational Crime and Corruption Center held a conference examining the criminal division of property in Russia (<http://sartraccc.sgap.ru/>). Although the conference was not focused on the Yukos affair, since the meeting took place just two days before the court began the long process of reading the sentence, the Yukos case intruded into every presentation. Saratov TraCCC Director Natalia Lopashenko encouraged a wide variety of views among the presenters. In recent testimony to the Federation Council, she argued that the Yukos affair represented a prime example of using criminal cases against powerful businessmen as a way of grabbing their property. Her comments were published in the Russian academic journal *Criminal Law* (no.3, 2004) and were widely reported in the media.

While Russian television and Moscow-based radio present the Kremlin line on Khodorkovsky's guilt, the leading members of the Russian criminal law community who participated in the Saratov conference did not display such a consensus. Those present, representing 25 regions of Russia, shape the teaching of Russian criminal law from St. Petersburg to Vladivostok. They reveal that a diversity of legal analysis and views persist despite the Kremlin's attempts to enforce a conformity of legal opinion.

In Saratov, commentaries on the Yukos case ranged from those of an elderly Moscow-based scholar who expressed support for the trial to another speaker who defined the event as a "tragedy for Russia and the rule of law."

More interesting than these overall pronouncements were some of the more nuanced legal analyses presented by the speakers. Members of the legal community

from Tomsk reported that an agreement had existed between Yukos and local government officials (On Yukos in Tomsk, see RRR, 14 January 2005). Yukos did not pay local taxes but provided equivalent amounts by maintaining social and educational support for the community. As a large, efficient company, it delivered a range of social benefits to the region more effectively than if the money were handed over to the local government officials in the form of tax payments. This policy, according to the Tomsk scholars, led to the rebirth of the Tomsk region with investment in education, infrastructure and social services. The Tomsk regional media, therefore, reports on the Yukos trial in a totally different manner from the Moscow-based press.

Considering the facts concerning the non-payment of taxes, the criminal law scholars pointed out that any criminal case addressing non-payment of taxes should also include the government officials who failed to collect the taxes. But no government officials were held accountable. As the Tomsk lawyers explained, since the purpose of the trial was not to address non-payment of taxes, no government officials were accused of complicity in tax evasion. Rather, those from Tomsk suggested that the legal proceedings against the Yukos leadership originated at a time that Yukos began to mobilize politically the 100,000 students in the Tomsk region. Therefore, the political role of Khodorkovsky that is seen as an important catalyst for the trial was particularly evident on the local level.

Several of the speakers pointed out that if the purpose of Russian criminal law is to promote better economic behavior and compliance with state economic objectives, the trial had failed miserably and had instead caused severe harm to the Russian economy. The problem of massive capital flight that had been stemmed for awhile has been renewed on a massive scale depriving Russia of needed investment capital. Furthermore, as a result of this trial, the value of Yukos was reduced by two-thirds. Therefore, if the state sought to acquire a valuable energy asset, its mode of reacquisition--a highly publicized criminal trial--had resulted in severe financial losses to the state.

According to most of the top criminal law scholars in attendance, if the potent instrument of criminal law is applied in such a visible manner by the state, its effect should be to enhance compliance with the law, increase economic efficiency and stem the criminal theft of state property. Yet most of those in attendance felt that none of these objectives were achieved by the state. Corrupt state bureaucrats remained in place, other oligarchs who stole state property were untouched, and the state incurred long term losses in its ability to retain capital and acquire external investments.

Unlike in a human rights commentary on the trial, no one focused directly on the political nature of the trial. But many of the statements on the misuse of the law led inevitably to that conclusion.

The scholars in attendance control the curriculum in many of the top criminal law departments throughout Russia. Clearly, many law students are being exposed to different ideas than those promulgated by the state-controlled mass media. The criminal law academic community no longer follows a single drummer. There is hope that some of the next generation of legal practitioners will follow the law and not just the commands of the central state. - Louise Shelley in Saratov

POLICE-CIVIL SOCIETY RELATIONS

MARIJ EL POLICE ESTABLISH SOCIAL COUNCIL. On 12 May Marij El Minister of Internal Affairs (MVD) Valerii Krasnov set up a Social Council under the

egis of the republic's police force. The council has 21 members. Its chairman is Deputy Minister Vladimir Militsa and his deputy is the co-chairman of the Ioshkar-Ola city organization Man and Law, Sergei Poduzov. Man and Law has conducted research into police abuses in the republic (see RRR, 14 January 2005).

Other members of the group include two members of the republican legislature (Gennadii Aleksandrov and Viktor Sevast'yanov), the priest Aleksandr Bachurin, the head of the republican reception room for public complaints Viktor Viktorov (part of the presidential envoy's staff), law school dean Aleksandr Sidorkin, and theater director Igor Smirnov.

The purpose of the council is to help the republican police improve their ability to fight crime and to increase cooperation with social and human rights groups in protecting the social and legal rights of the policemen and basic human rights for all citizens. The council held its first meeting on 19 May and its members seem interested in effective work.

Man and Law's Poduzov said that the creation of the council was a "serious and significant step because it is aimed at protecting human rights in the police. Now the republican MVD will be more open to society." The council will meet when necessary and at least once a quarter. The next meeting will be 2 June.

The initiative for the creation of the new council came from the Coordinating Council on human rights, which is part of presidential envoy to the Volga Federal District Sergei Kirienko's staff. The Marii El organization is not the only one to note improving relations between human rights organizations and the police. Chairman of the Nizhnii Novgorod Committee Against Torture Igor Kalyapin has also stressed similar progress. - Man and Law press release from Ioshkar-Ola

DEMOGRAPHIC ISSUES

MORDOVIA FACES EXODUS OF WORKING AGE POPULATION. During the last year 5,500 people have left the republic of Mordovia, whose population according to the 2002 census was 888,766 (http://www.perepis2002.ru/ct/doc/ALL_00_01.doc). The exit rate is 0.6 percent of the population a year. More than 70 percent of those leaving were seeking better conditions, usually in Moscow, St. Petersburg, Nizhnii Novgorod, Yekaterinburg, Tyumen, Samara or other cities.

Most members of this group are young specialists trained in local universities and institutes. Many could not find work in Mordovia or believed that they did not have many future prospects.

In recent years, the numbers leaving the republic have become so great that experts at the Mordovia Regionology Research Institute fear that the local economy will be threatened. "If current trends continue, even sectors of the economy like agriculture, which never faced a shortage in the past, will experience a lack of workers," Mordovia Labor Minister Lyudmila Ivanova commented. Already the local industrial sector has few future growth prospects because of a lack of qualified workers.

Mordovia never had a high standard of living. During the 1970s and 1980s, locals needed special access to gain even basic goods and therefore sought to move to more comfortable locations. During the entire history of the republic, there were only two periods when more people moved in than out. During WWII, many people and factories evacuated from the western part of the country arrived in Mordovia. Additionally, at the end of the 1980s and 1990s, refugees from the non-Russian

republics of the former Soviet Union began came to the republic. In contrast, during the end of the 1970s, 80 of every 10,000 left every year (0.8 percent of the population). In the European part of Russia, the figure was only greater in Dagestan (105). After a relative stabilization of the demographic situation in 1991-1992, the situation quickly returned to the typical exodus of the population. By 1995, Mordovia was one of the most crisis-ridden republics, having lost 66 percent of its industry. Levels of investment were on the level of Adygeya, Chechnya, and Ingushetia and far behind Marii El, Chuvashia, and Nizhnii Novgorod.

Although industrial output grew 13 percent in 2004, inflation outpaced growth in local incomes. Low incomes are the main reason people leave the republic. The average income in the republic is 3,275.6 rubles, better than in Chuvashia, Penza, and Marii El, but worse than the other regions in the Volga Federal District.

As the republican capital, Saransk does not offer great benefits to its residents. Although municipal services are relatively cheap, as are bread and milk, real estate prices are close to the level of Moscow Oblast. Products such as shoes, clothing, and various other goods are more expensive.

The exodus of working age people has forced local employers to offer high wages to attract highly skilled workers. Such firms, including Sun Interbrew, Ruzkhimmash, Orbita, Saranskstroizakazchik, Mordovia Bacon, and Talina among others, offer 10,000-15,000 rubles a month, which is relatively good by local standards.

Unfortunately, there are very few jobs with these relatively high salaries. Local firms therefore cannot provide high quality services. As a result, many contracts go to firms located in Ulyanovsk, Penza, Ryazan, Nizhnii Novgorod, Tatarstan, and Chuvashia and they benefit from the work rather than Mordovians. Even public sector employees are leaving Mordovia because they see no opportunities for career growth.

- Igor Telin in Saransk

BUSINESS AND POLITICS

KARELIANS FIGHT PRIVATIZATION OF "DEMON'S FOOTSTEPS."

Karelia's media has published numerous angry articles denouncing a local tourist company that has been charging admission to see the White Sea Petroglyphs. The money collected has apparently gone to the personal enrichment of the owners rather than into measures to help preserve the historic site. The tale is one of typical corruption at the local level, but one that threatens a centuries old site.

The petroglyphs, also known as the Demon's Footsteps, are part of an outdoor collection of rock carvings dating from 4000 BC. Part of the ensemble depicts eight footsteps leading to a mysterious demon figure, hence the name Demon's Footsteps. (<http://vokrugsveta.com.ua/S4/nasledie/petroglifs.htm>) The ethnographer and writer Aleksandr Linevskii discovered the site in 1926. Since then, during some periods, museums have sought to cut out the petroglyphs for display elsewhere. At other times, the petroglyphs have been used to attract tourists to the area. For long stretches, unfortunately, the site has simply been neglected.

Most recently, the carvings drew attention after vandals destroyed some of their components. Since 2002 Karelia President Sergei Katanandov has been promising that the site would be preserved. However subsequently, the Karelia State Regional Museum, the republic's culture ministry, and the education ministry have been arguing over what to do and how to pay for it without coming to any agreement.

Businessmen have not been so slow to act. During the summer of 2004, a guard representing the tourist firm "Karelia" started collecting 30 rubles from all visitors to the petroglyphs. This action raised concern among those who care for the site because it was not clear where the money was going: no one was conducting any scientific or preservation work at the site.

The local museum complained to the procurator, which investigated the situation and advised the tourist firm to stop violating the law. The legal violation consisted of the fact that a world-renowned historical site had been transferred to a commercial firm. According to an agreement dated 25 November 2003, the Karelia Ministry of State Property transferred the site to the Belomorskii Raion municipality. This local government naturally had no money to care for the site. Therefore on 2 February 2004 it transferred the rights to the site to Karelia tourist firm. On 2 July of the same year, the local government gave the tourist firm the right to engage in commercial activities on the site.

After the procurator's investigation, there was a real threat that the arbitrazh court would cancel all of the agreements between the property ministry, the local government, and the firm. Accordingly, all three of these groups voluntarily declared these documents invalid.

However, that was not the end of the story. The firm found a new way to gain access to the site. The head of the firm asked the republic's forestry agency to lease it the forested area on which the historic site is located for cultural, tourist, and sporting goals, including the creation of ski runs. Despite receiving various letters of support from Karelian officials, the republican procurator again rejected the firm's request and it still lacks official permission to use the site. Nevertheless, during the just completed winter, the firm again brought tourists to the site, which unfortunately remains unprotected. - Boris Matveev in Petrozavodsk

LOCAL GOVERNMENT

REPUBLICAN SUPREME COURT REJECTS KOMI PLANS. On 29 April the Komi Supreme Court overturned the republic's plan for local government at the request of republican procurator Viktor Kovalevskii and lawyer Pavel Mashchurak, who represents the Komi branch of the prominent human rights organization Memorial. The court ruled that the republican law violated the federal law on local government (*Zyryanskaya zhizn'*, 2 May).

The republican parliament had passed a new law on local government in the region in February. The effect of the law was to centralize local government, depriving many current municipalities of their independent status. The law created nine city districts in the republic, including the capital of Syktyvkar and eight outlying areas. The city districts were based on the old administrative raions. In those districts, cities could be located 100 or more kilometers from the capital. The law provoked numerous protests from cities that were about to lose their independent status. Although the republican government can appeal the decision, it is unlikely to make much headway on this issue.

Now the legislature must make serious changes to the law. Moreover, the local elections set for 16 October now are under a cloud of uncertainty as to whether they will take place.

Komi's local government remains unlikely to gain any real substance any time soon. Despite its defects in other areas, the system of city districts could have solved some of the problems of the sparsely populated northern parts of the republic, where

there are not enough qualified personnel to run the local governments and financing is far from sufficient. Historically, the northernmost Vorkuta has served as a center for the many small mining cities in the area. Vorkuta and the smaller cities form a united managerial system. Now this system may be artificially divided, which could lead to many social and financial problems.

Many of the problems of local government in general could be resolved by transferring important functions and sources of funding to the municipalities, but Komi politicians are not ready to take this step. The federal government could also in theory revive local government by increasing its powers, but now the Kremlin is intent on centralizing all finances at the federal level, leading regional governments to take as much power from local governments as they are able as well. The result of these various political battles and efforts at centralization is extremely weak local government. - Yurii Shabaev in Syktyvkar

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BUSINESS AND POLITICS

KRASNODAR AUTHORITIES SEEK PROPERTY, YUKOS STYLE. In the spring of 2005, Krasnodar Krai witnessed two major scandals in which the krai authorities sought to grab the property of private companies working in the region's lucrative port business. Companies on the losing end of the deals have dubbed the cases "Port Yukos" because of their similarities to the way that the federal government manipulated Russian laws to gain control of the most valuable assets of the Yukos oil major.

The port produces a large part of the krai's revenue. Russian ports, like ports everywhere, are centers of organized crime and smuggling operations.

The city of Novorossiisk, which hosts the largest port in Russia, provides 40 percent of the income for the regional budget, with 70 percent of that figure coming from naval transshipments through the port. The port is responsible for 30 percent of Russia's oil exports, 70 percent of its grain exports, 50 percent of its sugar imports, 25 percent of its steel exports, and 10 percent of its chemical exports.

The two Krasnodar conflicts have been brewing for a long time, but entered the public sphere only in the spring of 2005. The disputes started as conflicts between powerful big businesses. Observers claim that the krai authorities forced the conflicts into the open so that they would have an excuse to intervene and pursue their own interests.

The first scandal focused on OAO Novorossiisk Sea Trading Port (NMTP), the largest stevedore company working in the Novorossiisk port. This company is responsible for 75 percent of the freight moving through the Novorossiisk port. On 22 May the NMTP board of directors temporarily removed General Director Vladimir

Kovbasyuk from his job because the authorities had filed a criminal case against the company for allegedly not paying 36 million rubles (just over \$1 million) in taxes.

These charges are not straightforward. The federal government owns 20 percent of the shares in the company. When the state owns such a large stake in a company, state auditors usually pay close attention to that company's actions and it seems unlikely that it could have hidden such a large amount in tax evasions. Moreover, the tax legislation in Russia is so vague that the authorities can file charges against any company that they want to attack.

According to the local press, the reason for the conflict was rumors that the federal government was planning to sell its 20 percent stake. Besides the federal government stake, the main owners of NMTP are: the group Delo (6.98%), Bank Uralsib (26.76%), and AKB Russkii Generalnyi Bank (18.92%). A variety of small stakeholders and small enterprises own the remaining approximately 30 percent of the shares. According to unofficial sources, the sacking of Kovbasyuk and the filing of a criminal case against him resulted from a battle between him and the main shareholders Russkii Generalnyi Bank and Uralsib. In this battle, the krai administration supports the interests of Uralsib. The prospect that the federal government planned to sell its 20 percent share gave each of the larger shareholders the chance to secure a controlling stake in the most profitable company in Krasnodar Krai.

General Director Kovbasyuk strongly opposed the possibility that one owner would be able to concentrate such a large stake, warning that such a powerful owner would inevitably violate the rights of the small share holders and reduce the level of service at the port. Kovbasyuk's position had the backing of the small stake holders who combined control approximately 30 percent of the stocks.

It is not clear on what basis Kovbasyuk made his claims. However, in backing Uralsib (and its ally Investsberbank) in the conflict, the krai administration chose to avoid a court battle over the property itself and instead filed a criminal case against the director of NMTP, using the "Yukos scenario" to its advantage. In the Yukos case, the federal authorities filed charges against Yukos leader Mikhail Khodorkovsky as a prelude to taking over the main assets of his company.

The second example of the intervention of the state into private business focuses on the situation surrounding the construction of the Iron Horn port. The plans for constructing this port are among the most ambitious in the Russian transportation sector. This port is not only important for its size, but the fact that it will be the first port in Russian history built by private investors. The firms involved include: OAO Tolyattiazot, ZAO Tamanneftegaz, OOO Gazeksport, ZAO Trans Nafta, ZAO Enteko-Invest, ZAO Soyuzresurs, OOO Yuzhnoe, and OAO Tuaps Sea Trading Port. The overall investment will exceed one billion euro. Investments for building transportation links to the neighboring ports of Taman and Novorossiisk will exceed 200 billion rubles. The port is expected to be one of the largest in Russia.

Tolyattiazot began building the port in the late 1990s. This company is a giant in the production of ammonia, nitrogen fertilizer, and methanol. It benefits from the extremely low price for natural gas in Russia, a situation that makes its exports profitable, and investment credits from the EBRD and the IFC. The company's main problem is Russia's lack of sufficient ports for it to export its products abroad. The export facilities that existed in the Soviet era are now in Odessa, Ukraine and the Ukrainian authorities have used their monopoly position to impose extremely high export tariffs. For this reason, Tolyattiazot resolved to build a port it could use in Krasnodar Krai and became the main investor driving the construction. Since the late

1990s, Tolyattiazot's plans have evolved from shipping a small share of its output, to a much larger share and a variety of other products, including oil, grain, and other freight.

The large revenue stream that these exports will likely generate became the cause for conflict between the company and the Krasnodar Krai authorities. As the main investor, Tolyattiazot would become the owner of one of the most potentially profitable ports in the region. The krai government proposed that the port be owned by an intermediary company in which the state would have a stake. Negotiations along these lines dragged on throughout 2004. However, by the spring of 2005, it was clear that the two sides had not reached an agreement because the krai administration threatened to annul all previous agreements it had signed with Tolyattiazot.

On 15 March Krasnodar Governor Aleksandr Tkachev accused Tolyattiazot of violating environmental legislation. He said that evidence backing these claims would be turned over to the procurator and that Tolyattiazot would be excluded from the list of investors in the Iron Horn port. Since May, Tolyattiazot has stopped all construction activities in the port. Construction work now is continuing only by companies in which the state has a stake.

The case of a blatant property grab is most obvious in the second example involving Tolyattiazot. All the projects whose environmental impact is now being questioned had previously been approved by the krai administration.

The krai's pressure on private business concerns only domestic Russian companies. The krai authorities have not tried to make claims against large western companies working in the region since they have much more powerful backing among the federal authorities. Local observers fear that the port scandals will damage investor confidence in the region, something the krai authorities had once sought to build up. - Sergei Danilchenko in Krasnodar

LAW ENFORCEMENT AGENCIES

TYUMEN AGENCIES BATTLE FOR INFLUENCE USING CORRUPTION SCANDALS. Two recent corruption arrests in Tyumen Oblast have all the markings of a political battle for power among the various players in the law enforcement community. In the first case, the arrest of the Tyumen traffic police chief, the case against the official calls into question the reputation of the head of the oblast police department, who came to the region from Perm Oblast under the patronage of presidential envoy Petr Latyshev. The second arrest, the head of the environmental inspectorate in the city of Noyabr'sk, was possible only because the envoy's office authorized the action.

The head of the Tyumen traffic police (GIBDD) Igor Kiselev was arrested on 20 May on charges of abusing his office, money laundering, and embezzlement, according to the office of the procurator general in the Ural Federal Okrug. According to unofficial sources, 1.5 million rubles that had not been declared was found in his possession during the arrest. Most scandalously, a jeep stolen from Germany and sought by Interpol was found in the GIBDD garage. Investigators claim that Kiselev had to know that the jeep had been stolen, but he personally rode in it. Kiselev had been under investigation for three months. He was ultimately arrested in order to reduce pressure on witnesses.

At the end of May, Aleksandr Men'shikov, the head of the department for ecological and technological oversight in the Yamal-Nenets city of Noyabr'sk, was arrested. Prosecutors are accusing him and his deputy of taking bribes. Highly placed

officials in the local law enforcement agencies sanctioned the tapping of their telephone conversations in order to gather information on their activities. Because the case includes allegations that the local law enforcement agencies were involved, the federal okrug procurator is personally overseeing the investigation and he has brought in procurator employees from a neighboring city. According to sources close to the Noyabr'sk city administration, Men'shikov had contact with the procurator of Noyabr'sk, his predecessor in this post, and another employee in the procurator's office (<http://www.uralpolit.ru/yanao/?art=23006>). The city procurator allegedly told Men'shikov that a case had been filed against him, but that he was slowing its progress. The investigation has reached into a city owned company that handles purchasing for the city and other city offices. - Elena Arbatskaya in Tyumen

SAMARA ENFORCERS ACCUSED OF HIDING CRIMES. During May, the Russian procurator general's office investigated the work of the Samara oblast and local police, investigating the claims of various individuals and organizations in the city. The investigators found more than 1,000 cases of crimes that were not registered by the police even though citizens had reported them, according to deputy procurator general for the Volga Federal Okrug Sergei Gerasimov. Samara oblast procurator Aleksandr Yefremov punished 23 city and raion procurators and their deputies. The procurators of the city of Chapaevsk and Samara's Promyshlennii raion will be fired.

Overall, the procurator filed 32 criminal cases against police in the region. Gerasimov said that he sent a report critical of Samara Oblast police chief Vladimir Glukhov to the Moscow ministry. He noted that Samara now leads the Volga district in the number of cases filed against police employees.

Human rights organizations in Samara have also complained about police abuses. During the last year, human rights activists examined 20 cases of violations committed by policemen against Samara residents, according to Law and Freedom association head Nikolai Romanov. The most frequent violation is when the police do not register misdemeanors, such as theft and hooliganism, when citizens attempt to report them. The police do this to improve the crime statistics for their region. - Sergei Khazov in Samara

REGIONAL POLITICS

ADYGEYA PRESIDENT CANCELS ORDER DISBANDING PARLIAMENT.

On 24 May Adygeya President Khazret Sovmen cancelled his 18 May order to disband the republic's parliament. Sovmen had his change of heart after meeting with presidential envoy to southern Russia Dmitrii Kozak. The decree would have been the first time a regional executive disbanded a regional parliament, a move that is not envisioned in current Russian legislation.

Many observers believe that now the parliament will disband itself. Sovmen had sought to set new elections to the parliament in October, when there will be local elections. Several of the deputies voluntarily resigned from office.

After meeting with Sovmen, Kozak declared the crisis over. He even went so far as to suggest that it had never existed.

However, local analysts suggest four possible reasons for why Sovmen sought to shut the regional parliament and most likely the conflict will continue. The first scenario claims that the root of the conflict was a battle between Sovmen's chief of staff and the speaker of the parliament. In seeking to remove the speaker, the president's top aide allegedly sought to disband the entire parliament.

A second possibility is that the parliament began to ask too many questions about how Sovmen was spending the republic's money. These questions particularly angered the republic's finance minister, Tatyana Kirilova, who had worked as the chief accountant in Sovmen's highly successful gold mining business before he became republican president.

According to a third possibility, Sovmen sought to disband the parliament because he was afraid that it would not confirm him to another term even if he was able to secure Putin's appointment to the republic's highest post.

A final, more complicated, scenario suggests that Sovmen was set up to issue an illegal decree that would ultimately be overturned. Since Sovmen had quarreled with the legislators who remained in office, it would have been easier to replace him.

Despite Kozak's optimistic words, the political crisis in Adygeya is likely to continue. - Oleg Tsvetkov in Maikop

EXECUTIVE-LEGISLATIVE BATTLE INTENSIFIES IN KALMYKIA. In his first major interview, Igor Kichikov, the new chairman of Kalmykia's legislature, made clear that he will seek greater independence for the body, working to end the near monopoly on power held until now by Kalmykia President Kirsan Ilyumzhinov (see RRR, 17 May). Kichikov stressed that both the president and the legislators had equal legitimacy since they both had been popularly elected, therefore their work had to be built on "mutual respect and trust." He warned that he would not tolerate the intervention of bureaucrats into the body's work, particularly to dictate what kind of laws needed to be passed.

Kichikov called for elevating the status and authority of the parliament and deputies. By law, the legislators have the same status as ministers, but in practice they have many fewer perquisites. In particular, they do not have access to cars, which often makes it difficult for them to have contact with their constituents.

Kichikov also announced that the body would now create its own newspaper so that it could more easily spread its views among the public.

Nevertheless, Kichikov made clear that he did not plan to enter into direct confrontation with the president and that he would support the president's reforms which aimed at improving the welfare of the people.

Ilyumzhinov has likewise taken measures to preserve his influence over the parliament. He appointed Batr Van'kaev, one of his close allies and the head of the republic's branch of the pro-Kremlin United Russia party, as his personal representative to the legislature. The United Russia party has a majority in the republican parliament. Thus, every time that Van'kaev states his opinion about matters before the legislature, he will not only be speaking for Ilyumzhinov but for United Russia, the federal party of power to which many of the deputies belong, as well. Thanks to the party's strong internal discipline, the deputies from United Russia will have a hard time going against the recommendations of their party leader. - Vladimir Volgin in Elista

FOREIGN TIES

AYATSKOV APPARENTLY ON THE WAY TO BELARUS. After President Putin removed Saratov Governor Dmitrii Ayatskov from office in March 2005, Ayatskov said that he would soon be appointed Russian ambassador to Minsk. Observers assumed that the diplomatic post was compensation for having to give up the governor's office. However, this appointment has yet to come through.

Ayatskov's current problems are apparently connected to his new wife Olga Sergeeva. Just over a month ago, the federal authorities issued a search warrant for her. The case involves her illegal acquisition of two houses worth \$3 million that belong to the Saratov government. On 6 April, while she was being questioned about the real estate, Sergeeva slipped out of the procurator's offices and disappeared. The procurator's efforts to locate Sergeeva failed. Nevertheless, while she was on the lam, the court ruled that the property no longer belonged to her and returned it to the Saratov authorities.

Subsequently, Sergeeva's lawyer announced that she had spent the entire month while the authorities sought her in Moscow's Pirogov Hospital. While in the hospital, Sergeeva had her lawyer withdraw her objections to the court decision and she essentially accepted the return of the property.

Former Governor Ayatskov apparently decided to marry Sergeeva just before he received his diplomatic appointment with the goal of saving her from being prosecuted. Diplomats and their families hold legal immunity. However, the scandal surrounding the houses became so great that it even overshadowed the apparent deal between Ayatskov and Putin that the former governor would become an ambassador.

Now that the property has been returned and Sergeeva has dropped her claim to it, the authorities have dropped their case against her. Now it seems that nothing is standing in the way of Ayatskov taking his new job. The State Duma Committee on CIS Affairs recently approved Ayatskov's candidacy for the post in Minsk. Now it is up to the foreign ministry to prepare the necessary paperwork. - Ilya Malyakin in Saratov

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The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government

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The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

The Center for Security Studies specializes in the field of national and international security studies. Activities include research, teaching, and information services. Since its founding in 1986, the center has developed two electronic information services - the International Relations and Security Network (ISN) and the Information Management System for Mine Action (IMSMA). Due to the steady growth in research activities and the increasing number of tasks and functions it undertakes, the center now has a staff of about 75 people working in research and teaching. It is part of an international network of scientific institutions and organizations and cooperates with numerous partners. The center's expertise has made it an important resource for public administrators and the media, and the center functions as a political consultant to the Swiss Federal Government.

COMMENTS AND QUESTIONS

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REGIONAL BUSINESS EXPANSION

SAMARA FIRM SEEKS TO BUY SARATOV PORT. The trend for Samara firms to buy property in Saratov is increasing, particularly with the fall of Saratov's powerful governor Dmitrii Ayatskov. Recently the Samara company SOK, a major spare parts supplier for the automobile giant AvtoVAZ, purchased Volgost, Saratov's largest bridge building company. Now the Samara-based construction company Samkon, working in Saratov as RBE (Russian Business Estate) Saratov Ltd, is seeking to purchase Saratov River Transportation Enterprise (SRTP), which owns the Saratov port and several ships associated with it. The port is an important transportation hub on the Moscow-Central Asia, Tatarstan-Volgograd, and Siberia-Rostov trade routes.

Currently the port managers own more than 40 percent of the shares in the port. The federal government owns a 25.5 percent stake. The workers own the remaining shares. So far, the Samara firm Samkon has managed to buy up as much as a 14.7 percent stake.

The current managers of the port describe the Samara buyers as an extremely "aggressive" firm interested in purchasing the port and then reselling it for a profit. Current shareholders are now being visited by representatives of Samkon and SOK who strongly "urge" the shareholders to sell their stakes in the port, according to SRTP first deputy general director Igor Zubatov. He claimed that many people have been scared into selling their shares, though others have so far hung on.

The port officials claim that the Samara firm has the backing of the force ministries in Saratov. They came to this conclusion when they tried to organize their own purchase of shares in order to block the actions of the Samara company. The

port's registration company, Saratov RRD-Tsentr, blocked the sale of port stocks organized by the port, but allowed the sales requested by the Samara company, according to Zubatov. The instigator of this action was the Saratov transportation procurator, Zubatov asserted. In a letter to RRD-Tsentr on 25 May, the procurator blocked sales of port shares arguing that there were some criminal cases connected to such sales. Zubatov charged that the procurator was corrupt and behaving in a one-sided manner. Zubatov said that he had studied Samkon's activities in the Samara media and said that the company had been connected to a series of scandals.

Samkon officials say that they want to include the Saratov port into a construction holding company that they are building in the Volga region. They charge that the port's current managers are opposed to the purchase because they want to hang on to their current jobs. "The problem is that Saratov for a long time was ruled by several clans. They are all local. They took care of business peacefully and quietly. We are outsiders. Naturally, that stirs things up. They say that the 'aggressors' have come. But we are acting within the framework of the law. We are simply buying up shares. We are interested in the port. We do not hide that," RBE Saratov press attache Dmitrii Begun said.

The Samara construction firm seeks to purchase a controlling stake in the port. It plans to use the port to ship its construction materials through out the Volga region, sending, for example, crushed stone from Samara to Ulyanovsk or Astrakhan.

By the middle of June the situation at the port had stabilized somewhat because the port owners had managed to block the further actions of the Samara firm. After the port owners filed a case, the Saratov arbitration court declared the actions of the registration company illegal and froze all share sales in the port, except for those belonging to the federal government and Zubatov. Zubatov said that he was satisfied with his court victory and stressed that he sought to ensure that residents of Saratov would continue to own the port.

However, there are divisions among the current port shareholders and it may be possible for the Samara firm to exploit this split. The main conflict is between Roman Pipiya, who also owns the Balakov port and is a strong ally of former governor Ayatskov, and one of the most politicized Saratov firms, Rim, which had been in constant conflict with Ayatskov. The current Saratov-based port owners hope to purchase the federal government's stake in the port, but so far the state has not announced any plans to sell it.

Samara-based firms have long been expanding their activities into Saratov. Under the new system of relations building between the two regions, Samara is by far the dominant partner since it is richer and better equipped to survive in Russia's current market conditions. Local observers suggest that this situation could have become a reality many years ago if not for the actions of former Governor Ayatskov who blocked the arrival of companies that were not under his control. With Ayatskov's gradual loss of power and ultimate replacement by Putin-appointee Pavel Ipatov, the Saratov governor's office was no longer in a position to block outside business interests from working in Saratov. As a result, an increasing number of Moscow and Samara based firms are now entering the Saratov market. While locals expect the arrival of Moscow-based firms, the appearance of Samara firms arouses many more interregional competitive feelings.

Given the expansion of Samara business, it is a sign of the times that the SOK financial industrial group just announced that it will publish a Saratov supplement to the Samara newspaper *Vremya*. This is a highly politicized newspaper. It seems likely

that soon the Samaraites will soon show interest in Saratov politics as well as business. - Ilya Malyakin in Saratov

GUBERNATORIAL APPOINTMENTS

PUTIN GIVES ROSTOV'S CHUB ANOTHER TERM. On 12 June President Putin appointed incumbent Vladimir Chub as governor of Rostov Oblast, and the regional parliament confirmed this choice on 14 June. Chub has already served in this post for 15 years.

The likely consequence of Chub's appointment is continued pressure on Rostov's media and political opposition. Local observers fear that Chub will use his new term to press for jail terms for the key businessmen who have opposed him, including the Gryzlov brothers (who control the local port), the Bidash brothers and Marat Zainalabidov. They also fear that local courts will continue prosecuting local investigative journalists like Aleksei Fedorov.

Employees of the oblast administration and the envoy's office with whom I spoke suggested that Chub's reappointment would lead to the imposition of a bureaucratic tyranny. Chub's critics see his appointment as essentially handing the region over as his private property. They suspect that the governor will use his power to remove from the region Russian and foreign businessmen who are competing against businessmen associated with him. Previously, Chub may not have been able to carry out such measures because he feared the reaction of the federal authorities. Now that potential counterweight is no longer an issue.

In recommending Chub's appointment on 9 June presidential envoy Dmitrii Kozak claimed that there was positive political and economic development in the region and that Chub's 15 years experience as governor would serve him well in continuing to lead the oblast. Being an experienced politician, Kozak undoubtedly first made sure that Putin supported Chub before nominating him.

Chub also covered his bases when he sought Putin's stamp of approval on 2 June. Chub had the regional business leaders who support him send a letter to Kozak warning that Chub's departure would have a negative impact on the economy of southern Russia. Additionally, all members of the regional parliament declared their loyalty to Chub, with only the Communists withholding support. The legislators also said that they would hold open voting on Chub's confirmation, making it unlikely that any but the most die-hard opponents would vote against him.

Naturally, any information that the Federal Security Service and procurator collected on Chub's activities and those of his close allies will not be destroyed, though it will not be used against the Rostov governor now. Potentially this material could be used by the security services to blackmail the governor into supporting financial interests associated with them in the future. - Aleksandr Krasnov in Rostov-na-Donu

KOMI UNITED RUSSIA BACKS OPPOSITION. The Komi Republic branch of the United Russia party on 4 June nominated regional party leader Anatolii Karakchiev and Federation Council member Yevgenii Trofimov as its candidates for Putin's appointment as governor of the region. Trofimov said that he was not interested in the post, meaning that the party has essentially nominated Karakchiev. At the session, the party did not discuss nominating incumbent Vladimir Torlopov, though a number of other candidacies were discussed.

Currently, the seven presidential envoys to Russia's regions prepare a list of candidates for each governor's office and present them to Putin, who makes the final decision. Putin has said that he would like the input of political parties in formulating his list of potential appointees.

In accepting his nomination for the governor's post, Karakchiev gave a speech strongly critical of Torlopov's actions in office. He argued that Torlopov had improperly favored powerful corporations working in the region. The party resolution adopted at the end of the meeting charged that "In Komi a redistribution of property is continuing in favor of specific financial structures, whose interests are lobbied by the republic's leadership."

Karakchiev claimed that he had the support of other parties in the republic, including Rodina. Syktyvkar Mayor Sergei Katunin, who has tense relations with Governor Torlopov, recently left United Russia to join Rodina. Karakchiev also questioned Torlopov's use of public funds to finance newspapers that provide favorable coverage to political parties competing with United Russia, such as the Union of Right Forces and Yabloko (*Molodozh' severa*, 9 June).

Torlopov naturally countered Karakchiev's attacks with some of his own. On 8 June the newspaper *Mir novostei* reported that when Karakchiev was mayor of Syktyvkar in the mid-1990s, 3.5 million Austrian shillings disappeared from the treasury. This affair allegedly took place in 1995, but it is only being investigated now. Most likely similar articles making accusations against Karakchiev will soon appear.

Naturally, this will be a tit for tat battle. The procurator has already determined that the off-budget fund that Torlopov had created was illegal and discontinued it. The opposition believes that it will be able to find many legal violations in Torlopov's relations with large corporations.

Torlopov has confidently announced that he will continue the reforms that he has started. But the republic faces many problems, which make the governor politically vulnerable. Torlopov's administrative reforms have been limited to simply imitating the federal restructuring of ministries at the regional level and have done little to increase efficiency. There are few positive signs in the republic's economy, with most sectors stagnating. Small business is not developing and the owners of existing firms are expressing their unhappiness with the regional authorities. Agriculture is in deep crisis and there is little growth in forestry.

Torlopov had counted on the support of presidential envoy to the northwest federal district Ilya Klebanov, but Klebanov has withheld a straightforward endorsement. Nevertheless, Klebanov does not seem to be happy with Torlopov's opposition either. On 6 June Klebanov had a meeting with Andrei Nelidov, United Russia's coordinator for the federal district, in which he expressed unhappiness about various regional party branches. He clearly had in mind Komi, where the governor and United Russia party leader are political opponents. Clearly, Komi is entering into the final round of the battle for the governor's seat. - Yurii Shabaev in Syktyvkar

SOCIAL PROTESTS

ROSTOV AIR TRAFFIC CONTROLLERS LAUNCH STRIKE. Rostov's air traffic controllers launched a hunger strike on 8 June, threatening the safety of Russian and international aircraft flying over the North Caucasus (Gorod N, 8-14 June, http://www.gorodn.ru/archive/630/5_3.htm). The air traffic controllers have one of the strongest unions in Russia and they have struck in a variety of regions during

recent years. The controllers are highly trained professionals who must be fluent in English as part of their work.

The controllers chose to declare a hunger strike in order to avoid violating Russian law, which makes striking by such workers a criminal offense. The controllers declared that they are not striking and are not refusing to go to work. However they are refusing to eat and therefore medical examiners cannot allow them to carry out their duties in guaranteeing the safety of the 600,000 square kilometers that they monitor.

The controllers are demanding that their pay be increased from 15,000 rubles a month to the level of their Moscow colleagues, who make 40,000 rubles a month. The controllers are already well paid by Rostov standards, where the average monthly salary is 5,000-6,000 rubles. The controllers are employed by a state-owned company, whose leadership refuses to increase their salaries. The controllers point out that their work makes it possible for western airlines to fly over Russia and that these flights provide lucrative transit fees. They are seeking a greater share of this income.

The federal authorities intervened in the conflict and were willing to meet some of the demands of the controllers. However, before the deal could be finalized, Rostov's newly appointed governor Vladimir Chub intervened in his own way. The Volgograd procurator filed a criminal case against the controllers requiring that they drop their demands and return to work immediately. The procurator's actions provoked a negative reaction from the controllers as well as other Rostov workers. Chub's decision to intervene aroused the ire of federal authorities, who thought that they were bringing the situation under control. Negotiations are continuing. - Aleksandr Krasnov in Rostov-na-Donu

KURSK PROTESTERS TAKE TO THE STREETS OVER HOUSING

REFORM. At the beginning of June Kursk Oblast authorities introduced new prices for communal services that are five to six times higher than what residents had been paying. The Russian government had adopted a measure calling for these increases in August 2004 and the oblast government followed suit in March 2005. However, until the last moment, the authorities had stuck to the old prices, providing generous subsidies. The oblast paid 264 million rubles in such subsidies in 2004, according to oblast premier Aleksandr Zubarev (*Kommersant-Chernozem'e*, 9 June).

Thanks to the higher prices protesters now gather in Kursk's central square no less than twice a week. The Communists are not the ones organizing the protests since Governor Aleksandr Mikhailov is a former member of their party. Just before Putin appointed him to another term, he left his former party for the pro-Kremlin United Russia. On 7 June State Duma member Sergei Ivanov, the local leader of Vladimir Zhirinovskiy's Liberal Democratic Party, led the protests and a few days later it was the supporters of State Duma member Aleksandr Fedulov. About 400 people gathered for the second protest and it was the first time that Ivanov and Fedulov were known to make common cause.

"We are united by our desire to force the governor's resignation," Ivanov told the newspaper *Drug dlya druga* (8 June). Governor Mikhailov as usual blames everything on the federal government. This buck passing is not entirely fair since the oblast government set the prices higher than required by federal law.

Zubarev said that the protests were likely to last until January 2006, when the oblast is scheduled to elect the members of the oblast duma. - Sergei Sarychev in Kursk

LOCAL GOVERNMENT

SARATOV DEPUTIES REJECT DIRECT MAYORAL ELECTIONS. The Saratov city council committee charged with rewriting the city's charter has eliminated proposed language that would allow direct popular elections of the Saratov mayor. According to the current draft, the city council will continue to choose the mayor from among its members.

Most large Russian cities elect their mayors directly and Saratov is one of the few in which the city council members choose the city executive themselves. The question of holding direct elections has been a central issue in Saratov politics for the last 18 months. In March the city held a referendum on the issue, but the results were inconclusive because not enough city residents voted to make the election valid (see RRR, 13 April 2005).

The question of how to pick the mayor reflects the particular interests of the two individuals competing for the job. Incumbent mayor Yurii Aksenenko backs the current system because he feels confident that he will secure another term. As the incumbent, Aksenenko clearly has the upper hand. Challenger Aleksei Poleshchikov wants direct elections because he believes that he would be able to win through that route. With the failure of the March referendum calling for direct elections, the incumbent mayor has been able to ensure that his preferred system prevails.

Recently appointed Saratov Governor Pavel Ipatov has described Saratov as one of the most poorly run cities in the oblast and has called for Aksenenko's replacement. However, the governor does not have the power to push the mayor out of office and is unlikely to be able to realize his desire to remove him. - Ilya Malyakin in Saratov

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VLADIVOSTOK TRIP REPORT (JULY 1-8, 2005)

CRIME AND POLITICS DEFINE PRIMORSKII KRAI. Vladivostok remains a city of enormous potential, most of it unrealized. The completion of a large federal and regional highway project has alleviated some of the worst traffic problems and the addition of new restaurants and stores provides a sense of public dynamism. But the city has only managed to attract \$151 million in investment during the last five years, a slow pace that is insufficient to keep up with the quickly developing economies in neighboring Asian cities (*Konkurent*, 5-10 July 2005, www.konkurent.ru).

Against this slow growth background, a pressing concern is the role of crime groups in the region's public life. In fact, Vitalii Nomokonov, director of TraCCC's Vladivostok Center, argues that the extent of Russian organized crime, and the corruption connected to it, is so great that it threatens not only Vladivostok, but the collapse of the entire Russian state. He describes the current situation in Russia as a "criminocracy."

(http://www.vladnews.ru/magazin.php?id=133&idnews=35750¤t_magazin=1786)

Vladivostok voters elected the convicted criminal Vladimir Nikolaev as mayor in the summer of 2004 and Putin later appointed Governor Sergei Darkin to a second term in the first implementation of a new system of appointing governors rather than letting them face the electorate. Both men came out of the fishing industry, which is highly corrupt and derives most of its profits from illegal sales abroad. The attempted contract killing of Vladimir Davidov, the head of an important Far Eastern construction company on 25 February 2005 raised concern among locals that the violence of the mid-1990s may be returning.

The entrance of criminal authorities into public office leads some observers to suggest that law enforcement officers and crime groups are essentially working as one united team. In the past, the law enforcement authorities sometimes released information about the operations of local crime groups to help defeat them through public pressure. Now there is no interest in such information flows. Journalists usually

thrive in situations of conflict where two sides are trying to gain advantage by releasing compromising information about each other. In current conditions in Vladivostok, journalists and scholars seeking to examine the crime situation face great difficulty in their work because nobody has much of an interest in releasing information about what is happening.

The current situation in Vladivostok raises interesting questions even if there is little information readily available to study them in detail. Most importantly, if criminals are seeking to win public office, does that mean that the overall political and economic system is evolving in a healthy direction in which all players seek to operate openly or legitimately? Or does it mean that the new players are bringing criminal methods into the legitimate economy? At the moment, it is hard to say exactly how extensive the use of criminal methods is in public office. Journalists interested in such issues cannot spend much time working on them because they rarely produce the kind of day-to-day headlines that their editors require. Moreover, most journalists are trying to present a positive picture of Russia to attract more investment.

However, local papers have covered recent voter fraud cases and instances of corruption in the krai administration. Notably, however, the officials were found guilty and then given suspended sentences. This light treatment suggests that the court system lacks the independence to address crime cases connected to the authorities.

Recent press reports noted the conviction of a precinct electoral commission chairman for voter fraud during the 2004 Vladivostok mayoral elections. He received a suspended three year sentence. Additionally, an important Primorskii Krai official was given a suspended sentence of two years in a well publicized corruption case. When Governor Darkin came to power four years ago, he set up special sectoral funds to help poor citizens. According to the court's findings, the official, Mikhail Kroks, who dealt with the forest industry, forced local timber companies to make "voluntary" contributions to this fund with the amount depending on the size of their sales. As a public official, Kroks had access to information on the activities of the various forestry firms and he managed to collect \$7 million in "donations." Despite Kroks' conviction, no one has determined the actual fate of these funds.

Crime also affects life in neighboring Khabarovsk Krai, but there some local authorities are trying to take innovative steps to address the problem. The Komsomolsk-na-Amure city procurator has targeted the crime network left behind by the crime boss Dzhem, who was killed in 2002. Reputedly, this prosecutor is interested in advancing his career in Moscow and needs concrete results to move up the ladder. In May, the authorities in Komsomolsk-na-Amure arrested 30 individuals, alleged to be the key leaders of the city's Obshchak crime group (see press summary from TraCCC's Vladivostok center at <http://www.crime.vl.ru/list.php?show=101>). The prosecutor has charged these individuals with organizing a crime group (article 210 of the Criminal Code). According to recent press reports, Dzhem's old network even extends into Komsomolsk-na-Amure's high schools, where students are forced to collect contributions to help support crime group members who are incarcerated (*Vremya novosti*, 21 June). The authorities are trying to apply new techniques for dealing with the alleged members of the crime group, charging them for the act of organizing a crime group rather than for committing a specific crime. - Robert Orttung in Vladivostok

DRUG TRAFFICKING GETTING WORSE IN FAR EAST. All varieties of smuggling present enormous problems for Russia's Far East, according to the

participants of a conference on the role of criminal trafficking in Asian-Pacific region held at TraCCC's Vladivostok center on 4 July (http://www.crime.vl.ru/docs/konfs/konf_38.htm). Numerous sectors of the economy are involved, including drugs, arms, natural resources, and human beings. Notably, Russia is the largest exporter of illegally cut forestry products in the world. Less visibly, it is sending many guns to Japan, according to the work of Vladivostok researcher Vladimir Shulga.

Drug trafficking is a particularly big problem since the enormous profits infiltrate all spheres of the local economy. The anti-drug agency Putin created in 2003 does not have the powers or resources to effectively combat this problem, according to Larisa Romanova, a law professor at Far Eastern State University. Nevertheless, she argued that A. Rolik, the head of the agency in Primorskii Krai, had done a lot to organize the local branch of the anti-drug agency into an effective anti-crime force. However, Romanova noted that there was intense, and unhealthy, competition between the Ministry of Internal Affairs (MVD) and the anti-drug agency. She called for a unified set of data to make it possible to compare the drug situation across regions, complaining that such data does not currently exist. She also called for an enhanced state effort to reduce the level of demand among the population. She noted that such efforts are not likely to materialize because groups engaged in such activities often have a hard time demonstrating that their programs are effective because it is difficult to prove that they have actually convinced people who would otherwise use drugs to abstain from them.

According to local representatives of the federal anti-drug agency, the drug situation in the region continues to deteriorate. Russia is now fully integrated into the global drug economy. The three main channels for drugs coming into the Far East are from other Russian regions, usually carried by members of Central Asian groups; China; and locally produced drugs in Primorskii Krai and Khabarovsk. Moreover, drug traders have shifted from the Balkans to Russia as a transit point for sending narcotics to Western Europe and America.

The anti-drug agency claims that it has made considerable progress in reducing the amount of heroin coming into the region from Afghanistan via Central Asia. In particular, it arrested members of two crime groups that were heavily involved in dealing heroin and claim that there currently are no major groups involved in this trade in Primorskii Krai. It was impossible to find independent verification of this assertion. All locals were in agreement that Vladivostok benefited from a lack of direct flights from Tajikistan to the city. Tajik groups tend to specialize in heroin. Nevertheless, two-thirds of the drug flows coming into Russia arrive by train, according to Marina Semenyuk, a MVD researcher. As a result, most drugs reach the Far East via the Volga, Urals, and Siberia. Novosibirsk and Krasnoyarsk have traditionally been major drug transshipment points for the Far East. The authorities also claimed that they had been able to counter new efforts to bring heroin into the region from Korea.

Local production of opium is increasing and it is replacing heroin as the drug of choice in the krai. Opium is now the main problem for local drug enforcement agencies. Roma and Azerbaijani trading groups are the main distributors of this drug and local authorities say that the Roma distribution networks are the most difficult to eradicate.

The authorities said that there were 28 organized drug groups working in the krai, but noted that this figure should be used with caution since there were many more "unorganized" groups operating as well. But the authorities point out that all

drugs are distributed through previously organized networks. People do not just show up in Vladivostok with a cargo of drugs and try to sell them.

A variety of trends are evolving in the area:

-- Primorskii krai is a transit point for drugs from Afghanistan to Japan and South Korea. Tajik, Azeri, Chechen and Korean groups are working on these distribution routes.

-- Some groups are using China as a path for taking drugs from Primorskii Krai to other Russian regions. Many Chinese are living on both side of the border and can easily cross back and forth over it.

-- Recently a Chinese citizen was arrested for trying to recruit a Russian citizen to buy off local law enforcement agencies.

-- The authorities have arrested groups that produce synthetic drugs in China and seek to distribute them in Russia.

As usual drug statistics present a mixed picture and are of dubious reliability. Looking at Russia as a whole, the statistics show that drug use has dropped in two-thirds of the regions, while growing in one third of the regions. Possibly these statistics are meaningless or possibly they suggest that the law enforcement authorities in some regions are working more effectively than they are in other regions. - Robert Orttung in Vladivostok

MIZULINA STRESSES HUMAN TRAFFICKING IN FAR EAST. Russia has made some progress in dealing with human trafficking, particularly by adopting amendments to the Criminal Code in December 2003 that specifically criminalized actions connected with trafficking. However, there is still much work to be done. Activists, such as former Yabloko Duma member Yelena Mizulina, now serving as the State Duma's representative to the Constitutional Court, are pushing the federal legislature to adopt a law on human trafficking that would extend much greater aid to the victims of these crimes. Although a draft law has been circulating for several years, it has not yet been introduced to the State Duma. Currently Mizulina is traveling the country, soliciting input about the text of the law and gathering information about trafficking cases in different regions. On 6 July, she held hearings in the Primorsky Krai administration. (For the results of these discussions, see http://www.crime.vl.ru/docs/konfs/konf_39.htm).

Unfortunately, there is high-placed resistance to adopting the new law. Providing aid to the victims would be expensive and the authorities argue that there are more pressing priorities that they want to address first.

Procurators are making use of the new provisions in the Criminal Code to arrest traffickers. However, Mizulina complained that convicted traffickers are getting off lightly. In one case in Omsk, a man received a four year sentence for holding four individuals captive for four years. The victims all suffered from mental disabilities.

Russia has also had difficulty winning the cooperation of some foreign countries in its efforts to help victims. The United Arab Emirates, for example, has prosecuted Russia women for visa violations even though the Russian authorities believe that they were likely trafficking victims, according to Boris Gavrilov, deputy head of the Ministry of Internal Affairs Investigative Committee.

Gavrilov's research suggested that most of the traffickers are young people (between 30-40 years old) who usually do not have previous criminal convictions. Two thirds of the traffickers are men and one third women. This profile reflects the fact that trafficking is a high income business that is attracting young people who previously were not involved in criminal activities. Since the perpetrators are relative

new comers, it is difficult for the police to track them. Gavrilov argues that the human traffickers are generally not connected to the drug trade. However, groups that employ slave labor are also involved in a variety of other crimes, such as stealing cars. - Robert Orttung

SCHOLARS DEBATE STATUS OF WITNESS PROTECTION, CONFISCATION IN RUSSIAN LAW. In 2004, Russia adopted legislation creating a witness protection program. The US has successfully used this technique to prosecute organized crime groups. Usually such groups prevent witnesses from testifying by threatening to murder them or their family members. The witness protection program removes this threat and allows the government to gain access to inside sources who otherwise would not testify about criminal activities.

However, law enforcement authorities in Russia have had a difficult time implementing this program. Part of the problem is that there is a lack of financial resources. More important though is that the police don't know how to make the program a reality. In a discussion with young scholars at TraCCC's Vladivostok Center, Mizulina argued that it would be better to use the 10 million rubles that have been initially allocated for the program to secure some prosecutions. The stakes are high since each successful prosecution could put an organized crime group out of operation.

The US has also used asset confiscation as an effective way to eradicate crime groups. Putting individual criminals in jail does not eliminate a crime problem because new individuals simply replace the ones who were incarcerated. However, taking the group's assets makes it much harder for the group to reconstitute itself. In the US such sanctions have been subject to abuse. Police officers, for example, have confiscated the fancy cars of drug deals and then used them for their personal enjoyment.

The ability of the Russian authorities to confiscate criminal assets is a topic of heated discussion among law enforcement professionals. Many Russian law professors claim that the Criminal Procedure Code of July 2002 removed the ability of the authorities to confiscate assets, presumably at the bidding of the oligarchs who wanted to ensure that they would be able to maintain control over their holdings.

However, the authors of this provision adopted it to ensure greater oversight over the actions of Russian law enforcement agencies which had become used to simply taking property if they wanted it. In other words, the authors of the provision were more interested in making sure that innocent people were not attacked by law enforcement officials than they were in handing law enforcement officials powerful tools to fight organized crime.

Mizulina, one of the main forces behind the adoption of the new code, argued that the ability to confiscate property remains in force, but now procurators have to prove in court that the property was illegally gained. Securing such proof is difficult in practice because criminals can use a variety of shell companies and fictitious owners to hide their assets from the authorities. In practice, therefore, confiscation is now rarely used in Russia. The Russian authorities now face a much greater burden in confiscating assets than US authorities. - Robert Orttung

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ISLAM IN RUSSIA

OFFICIAL ISLAM PLAYS DESTRUCTIVE ROLE AT LOCAL LEVEL.

Official Islamic structures are playing a destructive role at the local level in Russia. They have distanced themselves from the main mass of believers and are losing authority among them. The official Islamic bodies prefer to rely on the state, with its repressive apparatus and strong arm methods of exerting pressure. They meet the characteristics listed by the contemporary philosopher and analyst Geidar Dzhemal, who describes a group of "political provocateurs" whose "organizational weight and status are insignificant."

Interregional conflicts between groups within Russia's official Islamic leadership increased during the spring of 2005. The problems began in 1992, when a split divided Russia's chief Islamic structure, the Central Spiritual Administration of Muslims, set up in the eighteenth century under Catherine II and currently led by Mufti Talgat Tadzhuiddin. In opposition to this long-standing organization appeared several groups independent of it. In 1996, they united into the Council of Muftis of Russia under the leadership of Mufti Ravil Gainutdin. Relations between the two organizations are conflictual and over time all regional Islamic structures divided into supporters of Tadzhuiddin or Gainutdin.

In this battle, both sides used the term "Wahhabi" to denounce the other as extremists and exert political pressure on them. At the same time, the leaders of both official Islamic structures stress their loyalty to the current political regime, describing themselves as backers of "Russian Muslim patriotism" and "traditional European Islam." (See my article in *Nezavisimaya gazeta*, 27 May 2005).

The key event which sharpened the battle between the competing Islamic organizations was Putin's speech on 21 February 2005, in which he called for strengthening the struggle against radical Islamic groups in the North Caucasus. Putin made clear that he favored a forcible crackdown on the groups that had been attacking Russian security and police officers in the region.

After this speech, the official Muslim organizations expressed even greater political servility, suggesting efforts to get even closer to the Kremlin with the creation of a "vertical of Muslim organizations" to match the vertical of power that Putin had set up in an effort to exert control over the Russian regions. They also began denouncing each other with even greater vehemence.

The first stage for this battle was in Astrakhan. The day after Putin's speech, Astrakhan Mufti Nazymbek-khazryat charged that Mansur Shangareev had "arrived from Ulyanovsk, where he had preached Wahhabism with his brothers." The mufti claimed that Shangareev was trying to take control of Astrakhan mosque no. 15 and turn it into a "Wahhabi prayer house." (*Komsomolets Kaspiya*, 23 February 2005).

As a result, Shangareev was arrested on 22 March on charges of extremism. A search of his home found a hand grenade and narcotics. Shangareev's brother Ismail is the mufti of Orenburg Oblast, representing the Council of Muftis of Russia, and is the director of the Islamic Human Rights Center. He secured legal help for his brother from the well known human rights group Memorial. The brothers claimed that the weapons and drugs had been planted on Mansur and were part of a provocation set up by Mufti Nazymbek-khazryat, who represents the Central Spiritual Department of Muslims (TsDUM).

A new trend in the interregional relations between Muslim groups is the active use of ties to the authorities and official resources in the battle against each other. For example, Ali Polosin, an advisor to the Council of Muslims of Russia in Ulyanovsk Oblast, complained that Federal Inspector for Ulyanovsk Igor Zhuravlev had described members of his group as participants in a sect. Gainutdin sent a letter of complaint to presidential envoy Sergei Kirienko, but did not receive a response.

In February and the middle of May, Federal Inspector Zhuravlev tried to return to the TsDUM a mosque that had seceded from the group in 2001. Zhuravlev invited the opposed sides to his office and tried to reconcile them under the aegis of the TsDUM. The mosque leaders refused to heed this call and the federal inspector told them that they could not expect the authorities' support. The mosque leaders took his words as a threat.

The Council of Muftis of Russia described the situation as unacceptable and called on Kirienko to take corrective measures, warning that doing nothing would hurt the authority of the state. Their message noted that one of the reasons for the growth of extremism in Russia was the intervention of state bureaucrats into the internal affairs of Muslim organizations, the news agency Blagovest-info reported.

A similar scandal took place in Kazan, Tatarstan, at the end of May when one of Kirienko's assistants described the Tablig organization as supporting international extremism (*Nezavisimaya gazeta*, 30 May 2005). - Arbakhan Magomedov in Ulyanovsk

CENTER-PERIPHERY RELATIONS

CONSTITUTIONAL COURT AGREES TO EXAMINE APPOINTMENT OF GOVERNORS. In the middle of June, the Russian Constitutional Court agreed to hear a complaint charging that the December 2004 law allowing the Russian president

to appoint governors violates the constitution. Tyumen geologist Vladimir Grishkevich filed the complaint, arguing that the gubernatorial appointments infringe on his right to participate in elections.

Grishkevich was able to file his complaint after Tyumen Governor Sergei Sobyenin resigned his post, Putin reappointed him, and the Oblast Duma confirmed this appointment. The Tyumen duma confirmed Sobyenin on 17 February and Grishkevich filed his case on 20 February with the oblast court. The oblast court quickly decided that the case was in the competence of the Constitutional Court and on 4 March Grishkevich filed his case there.

According to Grishkevich, "The president substantially increased his power [with the adoption of the December 2004 law]. However the constitution strictly defines all of the president's powers. These do not include the right to appoint governors, nor is there a right to disband regional legislatures without a court decision. Therefore, this is a direct attack on the regions' independent state power, which is guaranteed by the constitution. Additionally, there is the question of the relationship between the regions and the federal government. In explaining why he needed to appoint governors on 13 September 2004, the president described the need to establish a unified executive branch in Russia, citing article 77 of the constitution. But if you read article 77 carefully, it says 'within the framework of the powers of the federal government and in the framework of the joint powers of the federal and regional governments.' However, in recent times, there has been an expansion of federal power in relation to the regions."

At the same time that the court accepted Grishkevich's appeal, it rejected the appeal of two Saratov businessmen making a similar argument. The businessmen said that they had wanted to run for the governor's office in Saratov, but were denied that opportunity when Putin appointed a new governor to replace former governor Dmitrii Ayatskov. Subsequently, however, the court combined Grishkevich's complaint with others filed by the Union of Right Forces, complaining about the cancellation of gubernatorial elections in several other regions. Grishkevich told the RRR that he was happy to accept all help available in the case, noting that if his case lost no one else would be able to protest Putin's decision to appoint governors rather than elect them.

Tyumen has also cancelled direct elections of the mayor. Grishkevich argued that if his case supporting gubernatorial elections won, the decision to cancel mayoral elections would also be overturned. Grishkevich additionally argued that, if his case won, Tyumen Governor Sobyenin would not lose legitimacy as governor. He had been elected to the post and simply resigned early, under the provisions of the December law, to secure Putin's blessing. If the law is declared invalid, Sobyenin's resignation would also be invalid and he would simply serve out the term he was elected to. However, Grishkevich charged that if his case won, it would be necessary to disband federal and regional electoral commissions since they were supposed to be the ones to defend voters' rights to elect governors.

Grishkevich said that he was able to file the case in the first place and that no one put pressure on him because they did not take him seriously. Grishkevich said, "Maybe they [the members of the Constitutional Court] accepted my case because they could simply declare me insane and I would lose the case. However, it is also possible that the Constitutional Court wanted to demonstrate its independence."

In addition to protesting Putin's decision to appoint governors, in a separate action Grishkevich is also protesting the president's decision not to participate in televised debates during the 2004 presidential campaign. Grishkevich filed this

complaint during the elections, but it has bounced from court to court since then. - Elena Arbatskaya in Tyumen

LAW ENFORCEMENT AGENCIES

BASHKORTOSTAN RESIDENTS DON'T TRUST POLICE. Thirty-one percent of respondents in the Bashkortostani capital of Ufa would not call on the police for help, according to a poll conducted by the Eastern Economic Humanitarian University (Ufa) for the Bashkortostani Ministry of Internal Affairs. These people would rather defend themselves or turn to friends and family for aid. Most likely, the number of people who would not seek aid from the police would be a higher if the poll were conducted by independent human rights organizations rather than the police themselves.

The respondents explain their inclination to avoid the police by pointing out that they believe that the police are not interested in helping them. Additionally, the respondents suggest that the police would often rather hide crimes than work to solve them. According to the opinion of former Bashkortostan procurator Mikhail Zelepukin, serving as Yaroslavl procurator since March 2005, the most common way for the police to hide crimes is for them not to register citizen complaints in the first place. The police often threaten citizens, warning that if they do not withdraw their complaint they will be subject to revenge by the very criminals that they are complaining about.

Another source of information about the discontent of the population with the work of the police is the number of complaints filed with the chief federal inspector for Bashkortostan, a representative of the federal rather than regional government. The number of such complaints is equal to the number of complaints about housing and social benefits, which are considered the most difficult problems for the Russian population. As the recently appointed procurator for Bashkortostan, Aleksandr Konovalov, pointed out, the republican population long ago stopped trusting the police, seeing them as a group beyond public control pursuing its own interests rather than those of the public. Konovalov said that a recent investigation by the procurator in all the cities and rural areas of the republic led to cases against 43 police officers for refusing to register crimes or illegally closing cases. Last year the prosecutor announced similar figures, but there has been little progress in the registration of crimes.

Part of the problem is personnel. During the last five years, Bashkortostan has had five different procurators and they have all tried to force the republican police to do a better job reporting crime. However, during that time, the police chief has remained the same, Rafael Divaev. Many observers have the impression that the procurators come and go, each trying to do his job of improving the work of the police. However, in practice nothing changes.

For his part, police chief Divaev explains away the problem by pointing out that the police divide the crimes into categories of important and non-important. In the first category are widely covered crimes with major political and social consequences, crimes committed against police officers, and crimes committed against public servants in general. In the second category are minor thefts of personal property or other misdemeanors. In a time of scarce resources, the police claim that they simply do not have the resources to deal with the full spectrum of crime problems. - Igor Rabinovich in Ufa

CIVIL SOCIETY AND PRISONS

NUMEROUS PRISONERS CUT THEMSELVES TO PROTEST

CONDITIONS. On 27 June at 3am more than 500 prisoners incarcerated in colony OX-30/3 in the city of L'gov, 150 km from Kursk, cut themselves to protest terrible conditions. They used the razor blades taken from disposable plastic shavers to cut their hands, feet, and cheeks. The prisoners received razor daily since they are not allowed to wear beards or moustaches. All the prisoners received medical aid, though the prison authorities had to summon extra doctors from a nearby hospital. Some of the prisoners lost consciousness due to massive blood loss, according to relatives of the prisoners. All of the wounds were relatively light, according to the procurator (<http://prokuror.kursknet.ru/?r=320>).

News of the event spread quickly thanks to the statements of numerous relatives and websites, such as newsru.com, mignews.com.ua and others. Many relatives gathered at the prison gates in the morning after the incident. From their conversations, it was clear that cutting incidents had occurred in the past, but only involved 5-6 individuals. A massive incident like the one of 27 June was unprecedented. In letters written 2-3 days before the event, some prisoners claimed that they might die soon. Relatives said that life in the colony had been unsettled and that the prison authorities did a poor job of relating to the prisoners. The relatives said that the guards beat the prisoners, punished them for no reason, and committed other offenses against them.

According to Kursk Oblast procurator Aleksandr Babichev 260 individuals suffered. He said that he had found cases of abuse on the part of the prison authorities, including beatings and torture, and had filed criminal charges.

The incident was clearly planned in advance, as witnessed by the fact that the events took place simultaneously in all 10 sections of the colony. The procurator filed charges against 28 organizers of the event for not obeying the orders of the colony leadership. Justice Ministry representative Viktor Fedichev said that the protest leaders were rapists and murders transferred at the beginning of the month to the L'gov colony due to overcrowding at the Kursk Kosinovo colony.

During the last two years, the L'gov colony served as a showcase prison that was considered among the best in Russia. It had long ranked among the top in Kursk Oblast. A group of wardens had planned to visit the colony on 29 June to learn from its successes.

The flaws of the Russian penitentiary system are well known: punishments much harsher than then crimes committed, crowding, and cruelty and torture at the hands of the guards. The system has changed little since the Soviet era and is in great need of reform. Conditions continue to deteriorate, allowing the inmates to become further entrenched in the criminal world. The events in L'gov are a clear signal about the situation in this sphere of Russian life.

Kursk Oblast colonies currently hold more than 50,000 inmates. At the end of June, 50 relatives had set up a round-the-clock picket outside the colony and had no intention of dispersing. - Sergei Sarychev in Kursk

MARI EL GROUP TEACHES MONITORING OF DETAINMENT

FACILITIES. The Marii El human rights group Man and Law has begun accepting representatives of human rights groups from the Volga Federal District for training within a program entitled "Developing a System for Inspecting Places of Incarceration" sponsored by the European Commission. The project aims to provide

greater transparency in prisons and colonies and defend the rights of the incarcerated. During the course, the participants will learn about human rights in places of confinement, legal issues surrounding the prisons, and the methods used by Man and Law and the Human Rights Center of Kazan in establishing and implementing greater social control over prisons.

"Opening places of incarceration to society at large demonstrates that the possibility for extreme violations of human rights by the prison authorities is reduced to a minimum," according to Sergei Poduzov, chairman of Man and Law. - Man and Law Press Release from Ioshkar-Ola

PHARMACEUTICALS

SMOLENSK DOCTOR KILLED IN MYSTERIOUS CIRCUMSTANCES. On 7 June, Leonid Strachunsky, a medical doctor who had helped established a successful pharmaceuticals company and advocated greater oversight over the pharmaceutical industry, was murdered a Moscow hotel belonging to the Defense Ministry.

Earlier most pharmaceuticals in Russia were sold only by prescription. Now it is possible to buy almost any medicine over the counter without permission from a doctor. Frequently, drug stores recommend remedies of dubious quality and consequence for patients' health. The pharmaceuticals business has started to generate enormous profits in Russia. Numerous companies selling pharmaceuticals have started to appear with opaque ownership structures, suggesting links to Russia's criminal underworld. Often many of the medicines put on sale are untrustworthy and do not meet contemporary health standards.

Strachunsky had helped form the Smolensk pharmaceutical firm Polifarm. It is a well run company that worked "cleanly" on the Smolensk Oblast market. Over time it had pushed out some shady firms. Strachunsky's success undoubtedly angered owners of firms trying to take advantage of Russia's turbulent market conditions to make a quick profit. Perhaps, someone from this "pharmaceuticals mafia" had an interest in killing him.

Strachunsky had enormous scientific and organizational talent. At 53, he had become one of the youngest corresponding members of the Russian Academy of Medicine who worked in the provinces. In difficult economic circumstances and with minimal state support, he had managed to create one of the world's best medical research institutes. Just a few weeks after Strachunsky's death, his institute opened Europe's largest research center dealing with anti-microbe chemical therapy. The center has the financial backing of some of the largest pharmaceutical firms in the US, Europe, and Japan.

After his death, several Russian newspapers, including *Moskovskii komsomolets* and the Smolensk paper *Rabochii put'* (23 June 2005) published articles discrediting Strachunsky. *Moskovskii komsomolets* absurdly sought to link Strachunsky's murder to a hepatitis outbreak in Tver Oblast (see http://www.exile.ru/2005-June-17/conspiracy_theory_of_the_week.html).

Smolensk medical workers believe that, with Strachunsky's murder, the pharmaceutical mafia has delivered a terrible blow to Russian medicine and that the consequences will be far reaching. - Arsentii Ledovskoi in Smolensk

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American University and the Transnational Crime and Corruption Center

In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government and private foundations, TraCCC's basic goal is to better understand the causes and scope of transnational crime and corruption and to propose well-grounded policy. Much of our work to date has focused on the analysis of transnational crime and corruption in the countries of the former Soviet Union. In achieving our goals, we work with the public, media, law enforcement, policymaking, legislative, judicial, academic and business communities. To undertake this kind of collaborative work, we have partnered with the best scholars and practitioners in Russia, Ukraine and Georgia through multidisciplinary research centers.

The Federal Institute of Technology (ETH) Zurich and the Center for Security Studies

The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

The Center for Security Studies specializes in the field of national and international security studies. Activities include research, teaching, and information services. Since its founding in 1986, the center has developed two electronic information services - the International Relations and Security Network (ISN) and the Information

Management System for Mine Action (IMSMA). Due to the steady growth in research activities and the increasing number of tasks and functions it undertakes, the center now has a staff of about 75 people working in research and teaching. It is part of an international network of scientific institutions and organizations and cooperates with numerous partners. The center's expertise has made it an important resource for public administrators and the media, and the center functions as a political consultant to the Swiss Federal Government.

COMMENTS AND QUESTIONS

Please send all comments and inquiries to Robert Orttung (rorttung@att.net), the editor of the Russian Regional Report.

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ECONOMIC DEVELOPMENT

FAR EAST HOPES RESOURCES WILL FUEL GROWTH. If the Russian Far East is able to develop in the next few years, it will be on the basis of resource- and transportation-led growth, as recent events demonstrate.

The first stage of the pipeline linking oil fields in Taishet, Irkutsk Oblast, with the Pacific Coast port of Perevoznaya will be launched this December, according to Director of Transsibnef Mikhail Chemakin. In mid-2004, Russia cancelled plans to build a pipeline from Taishet to Daquin, China, favoring instead a plan to build the much longer link to the coast. Bringing new business to the Far East was part of the Kremlin calculation in changing the course of the pipeline. The original idea of linking the Siberian oil fields with China had the backing of Yukos, which had first proposed the idea, Beijing, which badly wants the oil, and Russian ecologists, who fear that the much longer link to the Pacific coast will damage Russia's environment. However, a coalition of regional authorities in the Russian Far East, the Kremlin and Tokyo favor the idea of bringing the pipeline to the coast. The regional authorities hope that transit fees will fill local coffers, the Kremlin wants its oil to be accessible to Korea, Japan and China, preventing a Chinese monopoly, while Japan is avidly seeking alternatives to Middle Eastern oil.

A major problem arose for the Kremlin when Japan, which had actively lobbied for building the pipeline to the Pacific coast and had even committed large sums to offset the anticipated \$15 billion construction costs, at the end of 2004 unexpectedly linked the pipeline construction with demands for Russia to return the

Kurile Islands (Northern territories), which the Soviet Union had grabbed from Japan at the end of World War II. Facing potential public outrage at the possibility of giving up land considered Russian, the Kremlin devised a plan to allow constructing the pipe without Japanese capital. The main idea is to connect East Siberian oil fields in Taishet with the Trans-Siberian railway at the town of Skovoridono through a new, but relatively short pipeline, load the oil onto trains, deliver it to a terminal currently under construction at the Primorskii Krai port, and transport it to Japan, China, South Korea, and perhaps even the US. Oil could be shipped to Asia as early as 2006 and profits may then be used to finance the remaining parts of the pipeline.

During a recent trip to China, Transportation Minister Igor Levitan announced that "Russia is preparing to significantly increase investment in the development of its railroad infrastructure in the east." He claimed that the investment would make it possible to increase "bilateral trade to \$60 billion by the year 2020." In 2004, trade between the two countries was approximately \$20 billion. Most likely the Siberian oil will constitute a significant part of the bilateral trade balance. Russia currently ships some oil to China via railways from Irkutsk and Primorski Krai.

Federal and regional authorities expect the pipeline to give a much needed boost to Far Eastern regional economies. Confronted with severe climate conditions, large distances, extensive corruption, and excessive regulation, Russia's far eastern regions have been slow to take off. The nine regional budgets in the Far Eastern Federal District are dependent on federal subsidies, which comprise from one third to one half of total budget revenues. Three years ago President Putin proclaimed that unless Russia pays much greater attention to the Far East, it will be making a major mistake. At his urging, the "Siberia and Transbaikal Federal Program" was crafted to include the Far East as well. Ironically economists from Rostov, a city in Western Russia, drew up the program. The federal government has only funded 7 percent of the program plans.

Officials from the Ministry of Regional Development recently announced that a new program is in the works. While skeptics argue that the new program will have no greater relationship to reality than the previous one, optimists hope that resource, energy, and transportation-led growth will make future gains possible. Regional economies are already heavily dependent on these sectors: oil and gas extraction and fishing accounted for 78.5 percent of industrial production in 2003 in Sakhalin. In Magadan, metallurgy and fishing made up 77 percent of production. In Kamchatka, fishing accounted for 60 percent of total production. In Yakutia diamond mining accounted for 71 percent of production. In Primorskii Krai non-ferrous metals, timber and coal mining accounted for 40 percent of production. In Khabarovskii Krai timber, fishing and precious metals made up 30 percent of total production. Overall, natural resources make up 80 percent of the exports from the region.

Regional planners have long sought to implement the idea of the Far East as a "Gateway to Pacific" by intensifying trade, removing transportation and regulation bottlenecks, and creating free trade zones. South Korea has long pushed the idea of building a Trans-Korean Railroad connected to the Trans-Siberian Railroad. Last week Kim Vot Gi, the chair of the Korean National Assembly, visited Vladivostok to promote this plan. The Russian Foreign Ministry generally backs the proposal, but it is necessary to win support from North Korea before plans can move forward.

The free trade zone experiment launched a few years ago in Nakhodka, Primorskii Krai, is now considered a failure. Neither the federal nor local authorities adopted the legislation necessary to make it work in practice. However, the Ministry of Economic Trade and Development remains enthusiastic. This month, the president

signed new Russian legislation on free economic zones. Minister German Gref predicts that the Far Eastern federal district may host as many as five free trade zones. However, it would be naïve to expect that free trade zones would bring significant change to the regional economy. After all, its backbone is natural resources, which are subject to taxation mechanisms that are not affected by the establishment of free trade zones.

While these economic development plans slowly unfold, the exodus of Russians from the region continues; with departures even more severe in the northern regions. During the past 15 years, the Russian Far East lost one seventh of its population. Today only 7 million Russians inhabit a territory the size of the continental United States. In the absence of state subsidies, people see little incentives to stay. The average yearly income in the Far East in 2003 was \$2,600, a small fraction of the \$8,900 figure for Moscow. With higher prices due to greater transportation costs, one dollar does not buy as much in the Far East as it does in western Russia.

As a result, regional authorities and local businesses increasingly must rely on cheap foreign labor. Two months ago Primorskiï Krai Governor Sergey Darkin announced that the regional government is reassessing its policy toward migration, with an eye to making it easier for migrants to work in the area. Employment of seasonal workers and illegal immigrants from China and North Korea has become a typical practice for businesses in some sectors of the economy, such as housing construction. Some politicians, like former Primorskiï Krai governor Yevgenii Nazdratenko, warn of a "yellow threat," claiming that Chinese immigrants will push Russians out from the region and military officials often complain that Chinese migrants build factories and homes too close to military installations. But more objective analysts note that so far there is little evidence of intrusive colonization. - Slava Shirokov in Blagoveshensk

ANTI-AMERICAN RECRUITING

LIBYANS SEEK SYMPATHIZERS IN NORTH CAUCASUS. The Libyan embassy in Moscow has recently increased its activities in Rostov Oblast and neighboring regions. Libyan ambassador to Russia Abdul-Adim Khimali recently visited Rostov, Krasnodar, and Stavropol with the official goal of lecturing on the Libyan government system.

However, the content of the lecture read at the Eurasian Institute, a private organization financed by the Libyans, mainly focused on anti-American propaganda, rather than the announced topic. Members of the audience were typically representatives of radical left-wing youth organizations, such as the National Bolshevik Party and the Avant-garde of Red Youth, whose main political idea is hatred of America and democratic values. The attendees were largely current or former students who are not working. Some of them have already served as volunteers in wars on the territories of former Yugoslavia, Georgia, and Moldova.

The main result of the visit was the establishment of a Russian-Libyan friendship center and the formation of at least four groups of 5-6 people who will travel to Libya on student visas to study Libyan society. In fact, they will receive military training during their visit. In forming the groups, preference will be given to young men who have already been to conflict zones. The first group has already left for Libya.

The next visit of Ambassador Khimali to the North Caucasus should take place in the fall. The authorities and special services know what the Libyans are up to, but prefer to give the appearance that they are not aware of these activities. If there were a scandal about these activities, the authorities would likely express surprise and promise to end these activities.

Among the ambassador's body guards and interpreters were two Kosovo Albanians who now live in the republic of Adygeya. One of them, in a private conversation, said that he is a fighter for the Kosovo Liberation Army. - Aleksandr Krasnov in Rostov-na-Donu

POLITICAL OPPOSITION

LEFT PUSHES PEOPLE'S GOVERNMENT. At the beginning of the summer, the Russian south witnessed a pompous and grand show reminding everyone that crucial parliamentary elections are coming at the end of 2007. On 2 June in Rostov-na-Donu, Gennadii Semigin, the leader of the People's Patriotic Union, made the first regional presentation of the "shadow cabinet" that stands in opposition to Putin's government. Attending the performance were representatives of the regional leaderships in the south, regional legislators, business people, and journalists representing more than 50 media outlets.

The Patriots of Russia coalition created the shadow government, which they describe as a "People's Government" in March 2005 (http://www.ng.ru/politics/2005-04-25/3_kurs.html). The shadow government is a copy of the actual government and declared itself in opposition to the Kremlin. The shadow cabinet claims that it is not a political organization and has no support from the authorities. Semigin noted that the group has adopted a "New Course," a strategy for developing the country that differs from the liberal course chosen by the government. The shadow cabinet plans to discuss its platform in the various regions of Russia, starting with the south.

The shadow cabinet presented several ideas for the development of the South, a strategically important region that is wracked with numerous problems. The south presents a land of contrasts. On one hand, there is a well-developed transportation network, advanced agriculture, industry, and tourist facilities used by 20 million Russians a year. However, on the other hand, are the North Caucasus republics with high unemployment and extremely low standards of living.

This disbalance in the region has created an enormous shadow economy, which employs 2.3 million people of a population of 21.5 million. The shadow economy of the south specializes in the unlicensed and illegal production of spirits, oil, mineral water, fake pharmaceuticals, counterfeit food products mimicking world famous brands, and sales of illegally harvested timber and fish. Some of the unmonitored financial flows from the shadow and criminal business support terrorism and religious extremism. Chechen rebels have long financed their activities through illegally extracting oil and producing gasoline to sell from it.

The gist of the alternative strategy proposed by the People's Government is nothing but a list of unrealistic proposals aimed at increasing the group's popularity among the population. Among the suggestions are: ending the budget disbalances between Moscow and the regions, cutting taxes, ending all fines and fees for entrepreneurs, increasing state orders for large enterprises, and providing tax breaks and special systems of credit for the agriculture sector. A number of populist measures are also included: raising the minimum wage, stopping the growth of housing costs by introducing more resource-saving technology, abolishing dilapidated

housing, and canceling taxes on land and property as possible sources of social protests. The People's Government promised to introduce bills into the State Duma to support these ideas. It also promised to support local projects to develop the tourism industry, ports on the Black and Caspian seas, and new networks of roads and railroads.

The authorities in the southern regions treated the events as campaign activity. The idea of setting up a shadow government is a good campaign technique and one that is new for Russian voters. The Patriots of Russia is planning to turn into a political party in the near future so that it can compete in the 2007 State Duma elections.

The People's Government is emphasizing the same themes that helped the Rodina bloc enter the Duma in 2003: left-wing patriotic rhetoric combined with a populist economic program, including nationalizing natural resources, increasing social programs, and strengthening fiscal policies in relation to large corporations.

The early start of the 2007 electoral season is a result of the adoption in May 2005 of a new law on the State Duma elections that makes it much more difficult for parties to win access to the federal legislature. In particular, the law eliminated the single-member district races that previously filled half the seats in the Duma, forcing all candidates to run on party lists, raised minimum party size requirements to no less than 50,000 members in 45 regional branches, and boosted the vote percentage needed to enter the Duma from 5 percent to 7 percent. Many fear that the new requirements will make it extremely difficult for the political opposition to secure political representation. - Sergei Danilchenko in Krasnodar

AUTHORITIES HINDER OPPOSITION LEADER KASPAROV IN ROSTOV.

Anti-Putin opposition leader and world-famous chess champion Garry Kasparov visited Rostov on 30 June. Kasparov is currently chairman of the Committee-2008 and the organization "Russia for Democracy, Against Dictatorship." (<http://kasparov.ru/> and <http://www.komitet2008.ru/>) Kasparov has met with opposition from local leaders in many of the regions where he travels and Rostov was no exception.

Initially, Kasparov and his assistants planned to land their chartered jet at Rostov airport, but the air traffic controllers refused to let the plane land. The nearby Taganrog airport also refused the flight, citing runway repairs that had just begun. Ultimately, Kasparov had to rent cars to enter Rostov and his motorcade was stopped at all the checkpoints entering the city. The Federal Security Service accompanied the group.

Kasparov's planned press conference at the Don State Public Library was cancelled, allegedly on account of flood waters that had entered the building. However, in the week leading up to Kasparov's visit there had not been the kind of rain storms that could have caused such damage.

Ultimately, Kasparov was forced to hold his press conference on the street. No official figures agreed to meet Kasparov, but he received a warm welcome from the ordinary citizens who had come to see him and passers-by on the street. In his comments, Kasparov explained the methods that the authorities use to seek to demonstrate that nobody wants to meet with him. In North Osetia, for example, at a site where Kasparov had planned to speak, the authorities organized a children's drawing contest and then played loud music to drown out the speech. Several of the kids had to seek medical help because the music damaged their ears.

In describing the work of Committee-2008 and the recently created United Civil Front, Kasparov explained that the main goal was to block any falsification of the upcoming national elections and to dismantle the authoritarian regime established by Putin. He noted that the organizations he represented were not political parties and were prepared to cooperate with the Union of Right Forces (SPS) and Yabloko as well as the Communists. Kasparov warned that an anti-constitutional coup would take place in 2006, when Putin would seek to rewrite Russia's basic law so that he could run for a third term.

Kasparov claimed that there is a new movement in the country to oppose Putin's policies, with support growing over the last year. He claimed that the new organizations did not have the backing of oligarchs like Boris Berezovsky, but that they would be able to have an impact without the financial resources that SPS and Yabloko had enjoyed in the 2003 State Duma elections. Kasparov claims that the voters are sick of the current regime's incompetence and corruption and are willing to support an alternative. Now many people do not believe that Putin wants to turn himself into a new czar, but Kasparov claims that the situation will change when the president starts taking concrete steps in this direction. Kasparov believes the opposition will become more powerful when people start to feel the bite of Putin's reforms to cut their social benefits and to reduce the number of spots in Russian universities.

Kasparov charged that the all-powerful bureaucracy created by Putin is turning out to be extremely inflexible and incapable of adopting quick decisions. The bureaucrats will always defend themselves by waiting for instructions from above. The result will be similar to the collapse of the Soviet Union, when the bureaucratic pyramid was incapable of dealing with a systematic crisis or countering a dynamic revolutionary movement.

Another problem with Putin's bureaucracy is that it does not make any room for ambitious young politicians. Rather than seeking to join the establishment, they spend their energies on various forms of extremist activity. Efforts to keep a lid on political pluralism will not lead to anything. New political parties created by the Kremlin will copy the worst features of United Russia and their imitation of politics will not only not create a stable political system, but will lead to a social and political explosion. - Aleksandr Krasnov in Rostov-na-Donu

LAW ENFORCEMENT AGENCIES

POLICE ABUSES REPORTED IN STAVROPOL. On the night of 11-12 June, police in the village of Ivanovskii, Stavropol Krai, beat dozens of innocent citizens detained in discos and cafes, according to local residents. Local human rights defenders claim that the abusive nature of Russian law enforcement agencies is now taking on a stable and systematic character.

The incident in Ivanovskii is very similar to the one in Blagoveshchensk, Bashkortostan, which took place 10 to 14 December 2004 (see RRR, 24 February 2005). In both cases, the police gathered a large number of people who from their point of view could be potential criminals and interrogated them with the use of force.

On the night of 11-12 June, the police in Ivanovskii brought 38 individuals between the ages of 14 and 23 to the police station, beating and torturing many of them. The police took action in the village as part of a prophylactic action across the entire krai because Ivanovskii has a reputation as a place with an active drug trade and numerous criminal groups.

The victims have accused the police of breaking the law. Stavropol human rights ombudsman Aleksei Selyukov, the former krai procurator, has supported the victims and demanded that the police be punished (see, for example, <http://www.stpravda.ru/2005/07/29/2005-07-29-03.shtml>). He has complained to krai procurator Valerii Kalugin about a large-scale and flagrant violation of human rights during the special operation.

Selyukov is demanding that the conflict be addressed on the basis of law rather than compromises and agreements characteristic of a pre-rule of law society. Most likely he will be able to prove his case. Even before the completion of the official investigation, Gennadii Skarga, the head of the Kochubeev Raion municipal council, admitted that some police had "exceeded their authority" and that the rights of minors detained had been violated. - Oleg Tsvetkov in Stavropol Krai

REGIONAL POLITICS

AYATSKOV CRITICIZES OPPONENTS IN FAREWELL ADDRESS. In the middle of July, after several months delay, President Putin finally appointed former Saratov Governor Dmitrii Ayatskov as Russian ambassador to Belarus, giving Ayatskov the chance to blast his political opponents at a farewell press conference. In assessing the performance of current governor Pavel Ipatov, Ayatskov described his cabinet as weak and shapeless. The former governor criticized his successor for not paying as much attention to the agricultural sector as he had, warning that this lack of diligence could lead to a drop in grain production. He criticized the new campaign to build better roads as nothing more than a superficial exercise.

Ayatskov expressed alarm at the growing power of his long-time political rival, State Duma Deputy Chairman and high-ranking United Russia party leader Vyacheslav Volodin. Ayatskov warned that Volodin was planning to take power in the oblast, seeking to win an appointment from Putin, and that Ipatov would leave office sooner than expected.

Volodin described Ayatskov's statements as meaningless fantasies and pointed out that Ayatskov's behavior lacked the main characteristics of a diplomat in that his statements did not form the basis for uniting society. The local branch of United Russia announced plans to send a protest to the Russian foreign ministry, complaining that Ayatskov lacked the basic skills of a diplomat.

Ayatskov's comments may have been aimed at provoking conflict between Volodin and Ipatov. Volodin's allies in United Russia currently control two-thirds of the seats in the oblast legislature. They also were responsible for the recent resignations of two local leaders in the oblast and their replacement with United Russia allies. Volodin's rating remains higher than Ipatov's. However, Ipatov has only been in office for about 100 days and most observers believe that it is premature to discuss his removal. - Ilya Malyakin in Saratov

KURSK LIMITS PUBLIC PROTESTS, EXCEEDING FEDERAL LAW. Kursk Mayor Viktor Surzhikov issued instructions on the local implementation of the 19 June 2004 federal law on public gatherings (<http://www.akdi.ru/gd/proekt/094517GD.SHTM>) on 22 June, sharply limiting protest meetings in the region. The instructions put strict limits on gatherings on Kursk's Red Square, which borders the oblast and city administration buildings. These limits go beyond what is written in the federal law, which does not forbid protest rallies near federal, regional, or local government buildings. Notice of picketing must be given to

the authorities three days in advance, while notice of other meetings must be made 10-15 days in advance.

The decision on whether an activity can take place will now be made by the leadership of the oblast committee on culture. The committee can reject requests if public action could destroy a public memorial or if the state of the monument might injure protest event participants.

Under the new regulation, the committee can also block an event if the organizers expect more people than are allowed at a certain site. On the central red square, gatherings are allowed between 12 pm and 7 pm. No more than 180 people can gather in the square and the streets around it. The use of loudspeakers is prohibited.

Kursk will elect members of its oblast дума in November and authorities fear that the elections could lead to large, disruptive meetings if measures are not taken now. Kursk politicians and human rights defenders claim that the restrictions violate the constitution. However, local leaders of the Liberal Democratic and Communists parties said that the restrictions would not hinder them.

The new regulations point up two social problems in the oblast. First, political parties remain extremely weak and can only demonstrate their strength through public protests on Kursk's main square. Second, the executive branch remains the only institution of authority with any real power. No one has taken any action to ban meetings around the oblast дума, courts, or procurator's office. - Sergei Sarychev in Kursk

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CRIME AND POLITICS

VLADIVOSTOK: ONE YEAR AFTER ELECTING CRIME BOSS MAYOR. One year ago, Vladivostok voters elected a previously convicted criminal, known to local criminologists as the leader of an organized crime group, as the mayor of a major Russian city. What has Vladimir Nikolaev, also known by his criminal nickname as "Winnie the Pooh," accomplished in the last year?

During the summer of 2004, when Nikolaev was elected with the support of the governor and Moscow's tacit agreement, Vladivostok waited in alarmed expectation. But there was some reason for optimism. Long before the start of the elections, Nikolaev, who recently turned 30, launched a campaign entitled "A Worthy Life for Primorskii Krai!" Under this slogan, he renovated apartment buildings at no cost to the residents, restored sports fields, and provided play equipment for children. Pensioners were able to buy cheap fish, conserves, and bread from trucks on the street. Most of the local media praised Nikolaev, arguing that while he had had legal problems in the past, they were little more than youthful indiscretions. The city long had been the focus of international attention because of its poor leaders. Now, a "young competent manager" had come to replace them, the pre-election media cooed. He has already done much for Vladivostok as a businessman, and he will build a shining city upon a hill because for him such work is a matter of honor, his backers claimed.

Unfortunately, Nikolaev did not manage to build such a utopia in the last year. Most of his accomplishments were public relations campaigns organized by the mayor's press service and transmitted to the people through media under the governor's and mayor's control. In several important spheres of life, conditions have deteriorated during the last year due to bad decisions, a lack of professionalism, and plain old corruption.

One of the most illustrative examples is the history of the city transportation sector. Soon after he was inaugurated, Nikolaev traveled throughout the city in buses, with television cameras in tow, criticizing various problems he encountered, such as dirty seats and bad drivers. Most of the city buses in Vladivostok belong to private owners and Nikolaev threatened them with fines and the revocation of their licenses if they did not improve the situation. As a result, the number of buses on the streets dropped sharply. For several weeks, would-be passengers stormed the few remaining buses. And then, everything returned to the way it was before. The buses are still dirty and broken down. Everyone forgot about the matching uniforms Nikolaev promised for all the drivers. On 31 August 2005, the Deita.ru local news service reported that 90 percent of the drivers do not obey the laws for transporting passengers.

Nikolaev's most serious project was his announced plan to reform the housing sector. The reform began last year, but as many critics point out, simply did not work. Even though many streets have been dug up, and some water and heating systems are being renovated, the city will not complete the necessary work before winter begins. Due to a lack of budgetary funds, almost all work on road repairs has come to a halt. The seriousness of the situation is reflected in the fact that the mayor's office sent a letter asking the krai procurator to begin monitoring the city boilers' preparations for winter. Usually the city authorities take such measures when they are planning to blame difficult problems on someone else.

Nikolaev decided to follow the example of Moscow city in housing reform. In place of the giant housing trusts that since Soviet times have served as a way of laundering the enormous sums of money provided by the city for repairing and supporting city housing, he set up small enterprises that would be responsible for no more than 20-30 multi-apartment buildings. However, in Vladivostok, this reform only produced chaos. Previously, the trusts provided all housing services: cleaning the yards, maintaining common areas in the buildings, collecting garbage, and many other tasks. Now a different enterprise is in charge of each task and residents have little sense of who is responsible for what. For example, one company hauls away ordinary trash. But construction waste, like old windows, doors, and dilapidated furniture, is piling up in almost every city courtyard and no one is removing it.

Nikolaev's critics argue that the real purpose of creating the multilayered housing complex system is to provide opportunities to numerous firms, closely connected to the mayor's office, to win municipal contracts in fictitious competitions and tenders for providing city services.

Beyond pure greed, the causes for this chaos are numerous. One of the central factors is the low professional skills of the "young managers" in the mayor's team. The person responsible for housing reform is a former boatswain from the TURNIF fishing company, the only legitimate company that Mayor Nikolaev ever headed. The city has also had enormous difficulty in hiring maintenance people, elevator repair men, garbage collectors, sanitation workers, and others. According to the administration's own statistics, it currently needs to hire 3,222 such workers. Part of the problem is that similar workers receive five times as much for the same work in Moscow. At the same time, Moscow residents pay only half as much for these services.

Many city residents ask: where is the money going? For answers, they see that now many homeless people are cleaning their courtyards. In this way the city authorities

have resolved several problems. First, the homeless who once picked over trash now get paid for this task and put the garbage no one can use into receptacles rather than simply throwing it on the street. Second, the homeless no longer sleep on the street, but in the basements of large apartment buildings, which are now essentially their places of work. Third, by hiring these people, the city saves considerably on the salaries that it pays.

At the beginning of 2005, the city adopted a budget in which it proposed spending 25 percent of outlays, 800 million rubles, on the housing sector. For Vladivostok, this is a large sum. Part of this money was designated for modernizing and repairing the city boilers and heating pipes, another part was for repairing housing.

However, after six months, the funding ran out. Mayor Nikolaev's team simply did not know how to manage the taxpayers' money, according to Primorskii Krai Federal Inspector Yevgenii Avakumyanets.

One of the reasons for the financial crisis was the extravagant spending for the city's 145th birthday celebration at the beginning of July. The authorities spent so much money on this event that now they cannot afford to take care of the roads and prepare for winter. Numerous newly created firms received contracts for repairing and painting building facades with bright colors. The only buildings repaired were those on the parade route, which would be seen by visiting dignitaries and the city leadership. Most of the workers employed were North Koreans, Chinese, and Uzbeks, who are willing to work for extremely low salaries. The quality of their work was poor, but the subcontractors who received the money have long since forgotten about finishing up the projects.

In Vladivostok, not all buildings are heated by central facilities subordinate to the national electricity monopoly Unified Energy System, headed by Anatolii Chubais. There are 100 other boilers, 80 of which are owned by the city and 20 by various enterprises and private firms. A crisis is brewing with these boilers because the city and private owners do not have the resources necessary to ready them for the upcoming winter. As noted above, the city is currently seeking the help of the procurator rather than working to make the necessary preparations.

Despite the fact that the mayor is having trouble dealing with all the problems in the housing sector, on 26 August the city authorities announced that from 1 September a new city organization, OAO Vodokanal, would provide water service to city residents. The mayor is the founder of the new organization. Vladivostok residents have long suffered from water shortages and the problem was only resolved last year when the krai authorities and the large specialized firm Primvodokanal took over this job. The city no longer had to shoulder this enormous burden and the costs associated with it. Now Nikolaev's team has decided that it will collect fees from the city's water users. This move will return the city to the conditions prevailing during the 2003 water crisis. Then the krai and city authorities battled over who would make money by supplying water to Vladivostok. As a result, the city was literally without water. Even in the local hotels, guests could not take a shower or flush their toilets.

At the beginning of the summer, Nikolaev announced that he planned to renovate and pave 500 apartment building courtyards as part of a new program to rebuild city streets and courtyards. He set aside 100 million rubles from the city budget for this purpose. Additionally, he pledged to collect voluntary contributions from local enterprises and organizations.

Quickly after the work began, however, the authorities announced that they had spent all the money. They claimed that the funds went to cover the road-repair debts of the previous administration. As a result, the roads of Vladivostok are in terrible condition. But the mayor's team has found a solution to these problems that is in line with the previous experience of the "young managers." They have threatened to force all merchants to pave public areas surrounding their shops at their own expense. The subservient local media publishes pictures of the renovated courtyards and playgrounds, with the mayor basking in the appreciation of grateful pensioners surrounded by babies riding joyfully in their strollers. Unfortunately, most Vladivostok residents don't see such repairs when looking out of their own windows.

The mayor's relationship with business is also unclear. After Nikolaev came to power, many merchants began complaining that he had raised the rent they pay to lease city property several times. The mayor claimed that the previous administration had handed out city property to its cronies at absurdly low prices and that the new team, seeking to fill city coffers, decided to force these entrepreneurs to pay a fair price. Nevertheless, many businessmen argue that Nikolaev is simply squeezing the former mayor's friends, while handing favors to his own supporters, as typically happens when one group replaces another in power.

The greatest scandal occurred in the undertakers' business. One day the mayor set up barriers at the entrances to the city cemeteries and refused to admit representatives of Vladivostok's small and independent funeral homes arriving with relatives to place markers on graves and even to bury the recently deceased. The intimidating cemetery guards who now man the gates are employed by a new municipal service of the mayor's office, the head of which is the owner of the city's largest funeral home. The small funeral operators appealed to everyone they could think of for help, complaining that the mayor was working to establish a monopoly, which would inevitably lead to higher prices for bereaved families. The loyal media argued that Nikolaev was merely trying to impose order on the deteriorating funeral business.

This scheme is typical of a wide-scale redistribution of property in the city, businessman Yevgenii Olomskii recently told the newspaper *Moskovskii Komsomolets vo Vladivostoke*. Small and medium sized businesses are being driven out in favor of monopolies with ties to the new authorities. Olomskii claims that the size of bribes bureaucrats are demanding is increasing. If earlier, an average bribe was \$300, the price rose first to \$500, and now is in the range of \$5,000 to \$10,000.

Nikolaev answered these charges with the latest public relations stunt. On 1 September 2005, the mayor announced that he was cutting his staff by 500 individuals, one-third of the city administration. One loyal paper ran a banner headline "No More Feeding the Idle!" This measure will save 6 million rubles, which will be spent on solving some of the city's worst problems, according to Mayor's assistant Aleksei Kazakov.

Skeptics point out that the problem is not so much how much money is in the city budget, but who is spending it. This down-sizing is the second staff reduction on Nikolaev's watch. Shortly after coming to office, Nikolaev fired 400 workers, after which the size of bribes demanded shot up rapidly.

To be fair, the size of bribes is increasing throughout Russia. Nikolaev's spin doctors are also correct when they point out that he inherited a city in terrible shape from

his predecessor. Former Mayor Yuriy Kopylov, with long experience as a pre-perestroika Communist bureaucrat, sold off an enormous amount of city property during his five years at the helm, saddling the city with astronomical debts. One can hardly say that life in Vladivostok is now much worse than it was then. At least, residents currently have water and electricity. The problem is that over the last year, things did not get any better.

Nikolaev still has three years left in office. Will the former crime boss be able to improve the management of the city? Or will he simply add criminal methods that he learned on the streets during the "wild 1990s" to the old system of Russian bureaucracy, already notorious for its corruption and thievery? - Oleg Ssylka in Vladivostok

CENTER-PERIPHERY RELATIONS

PUTIN NAMES NEW GOVERNOR FOR NIZHNI NOVGOROD. On 8 August, the Nizhnii Novgorod legislature unanimously approved Moscow Deputy Mayor Valerii Shantsev as the region's new governor at the request of President Vladimir Putin. The appointment of a Moscow politician with no local roots attracted nation-wide attention. Shantsev's promotion is politically important because it addresses a series of issues in terms of center-periphery relations, conflict between the executive and legislative branch at the regional level, and relations between various political clans in Nizhnii.

Since the end of the 1990s, when former governor Boris Nemtsov joined the federal government, the once united political elite of Nizhnii Novgorod irrevocably split, forming separate centers of power. Since then, there have been difficult relations between the different branches of government at the oblast level and conflict between the oblast and local levels.

Additionally, Sergei Kirienko, the presidential envoy to the region, has also intervened repeatedly into regional politics. In contrast to most of the other presidential envoys, Kirienko was a prominent figure in local Nizhnii politics and business before his appointment. Since 2000, he has created a new center of power in local politics and has restored his previous list of clients. However, Kirienko suffered a setback in the gubernatorial elections of 2001, when incumbent governor Ivan Sklyarov failed to win reelection, despite Kirienko's endorsement. In a surprise to all players in Nizhnii politics, Communist State Duma member Gennadii Khodyrev won the elections.

Khodyrev's victory was a defeat for many of the political groups that had previously dominated Nizhnii politics. Subsequently, in the 2002 Nizhnii Novgorod mayoral elections, incumbent Yuriy Lebedev lost to State Duma member Vadim Bulavinov, who had Kirienko's backing.

After these elections and the defeat of the groups that opposed Kirienko, it seemed that the disputes between the various clans and branches of government had been overcome and that there was a united team in the region. Kirienko, Khodyrev, Bulavinov, and legislative chairman Yevgenii Lyulin constantly stressed this achievement.

For a while unity seemed to reign in the oblast. Budgets were adopted without conflict. In 2003, during the State Duma elections, Governor Khodyrev set aside his Communist sympathies and led the United Russia regional list.

However, in 2004, relations grew tense again between the deputies of the regional legislature and presidential envoy's staff, on one side, and the oblast administration, on the other. During that year, regional legislative leader Lyulin launched his campaign for

the governor's office. However, Putin's September 2004 announcement that he would henceforth appoint governors forced Lyulin to transform his public campaign into one in which he sought to win the president's support by working behind the scenes, particularly through the presidential administration.

Kirienko controlled much of the local media and therefore could promote Lyulin's candidacy in it. However, Khodyrev, who served in the federal cabinet in the late 1990s under Prime Minister Yevgenii Primakov, had excellent connections in Moscow. Although Kirienko had himself been prime minister, he was a member of Yeltsin's team and therefore had difficulty advancing Lyulin's candidacy in some federal circles. As his term was coming to an end, Governor Khodyrev was more popular at the federal level than he was among the Nizhnii elite.

Khodyrev had been loyal to the Kremlin, delivering votes for United Russia and Putin during the 2003 State Duma and 2004 presidential elections. Putin had promised him another term. Moreover, usually in conflicts between executives and legislatures at the regional level, Putin usually sided with the governor, as was the case in Altai Krai.

Despite these factors, the members of the regional legislature began pushing Lyulin's candidacy for governor in the spring of 2005. They accused Khodyrev of being incapable of running the region, lacking his own team of managers, appointing Muscovites to key posts, and tolerating corruption among oblast bureaucrats. During the spring several oblast officials were arrested on charges of corruption. Some legislators also faced legal problems as Deputy Legislative Assembly Speaker Mikhail Dikin was charged with attacking local businessman Oleg Sorokin.

In June, 36 of the 42 regional legislators sent a letter to Governor Khodyrev asking him not to seek Putin's appointment for another term, warning that they would oppose such a move even if Putin decided to disband the legislature. The legislators also brought intense political pressure on the governor, working through the local branch of United Russia.

Khodyrev's term ran out 8 August and, by law, Putin was supposed to appoint a replacement by 4 July. However, the president missed the deadline. The Kremlin could not overcome the intense resistance to appointing Khodyrev for a new term. Putin was also reluctant to appoint the legislators' preferred candidate of Lyulin. Other candidates from Nizhnii were not acceptable to the federal government. Kirienko had proposed former regional legislator Vadim Vorobev, who took a job as Lukoil vice president in 2005.

In choosing Shantsev as the new governor, Putin turned to an outsider, siding with none of the local groups. However, the legislators were pleased that they had blocked the appointment of Khodyrev, even if they were not able to secure their preferred candidate.

Federal analysts claimed that the appointment of the former Moscow deputy mayor to be Nizhnii governor was part of the president's efforts to weaken the powerbase of Moscow Mayor Yurii Luzhkov. Depriving Luzhkov of his key assistants will at least temporarily undermine his authority.

In any case, the appointment of Shantsev was a loss for Kirienko, who was one of the last to learn of his appointment (*Agrumenty i fakty*, no. 32, August 2005). In his new post, Shantsev will most likely conduct policies independent of the presidential envoy. He has significant managerial experience, is well-versed in backroom intrigue, and has

extensive connections and resources in the capital. - Rustam Bikmetov in Nizhni Novgorod

REGIONAL POLITICS

NEW ULYANOVSK GOVERNOR STARTS DIFFICULT DEVELOPMENT

TASKS. Ulyanovsk governor Sergei Morozov took his oath of office on 14 January 2005. He inherited a difficult situation from his predecessor Vladimir Shamanov.

General Shamanov won election as governor in 2000 with a slogan of "Order, Changes, and Reliability," but left in ignominy four years later, leaving the oblast in disarray. He not only did not run for a second term, but quit office before his first term concluded, disappearing into an insignificant position specially created for him in the federal government. Shamanov, once a symbol of the growing power of the siloviki at the regional level, is now advisor to the prime minister for social work with the armed forces.

Under Shamanov's leadership, the crisis in the oblast's economy and finances grew worse. Members of his team, mostly consisting of out-of-town managers, focused mainly on grabbing local property for themselves and their cronies. Ulyanovsk residents, who suffered from the lack of hot water and heat, reacted with protest votes in the 2003 State Duma elections and elections to the regional parliament from city districts. These elections failed to produce winners in December 2003 and again in March 2004. As a result, Shamanov fired his entire administration six months before his term was up, complaining that his subordinates all worked ineffectively. Despite this criticism, the same people ended up in the new administration that replaced the old one.

On the eve of the 2004 gubernatorial elections, United Russia refused to back Shamanov's reelection bid, even though he was a member of the party. Instead, Moscow advised the local United Russia to back Morozov, then mayor of Dimitrograd, the region's second largest city. Shamanov quickly left for Moscow.

Morozov did not win an absolute majority in the first round and had to face the second place finisher in a runoff. In the second round, Morozov was supposed to face local dairy owner Sergei Gerasimov. However, Morozov filed suit against Gerasimov, charging that he was trying to buy votes by lowering the price of milk at his dairy. The court sided with Morozov and removed Gerasimov from the race. Ultimately, Morozov defeated State Duma deputy Margarita Barzhanovaya, also a member of United Russia, by a large margin.

During the elections, Morozov had the backing of Presidential Envoy Sergei Kirienko and the financial support of the Samara United Concern (SOK). SOK is a giant holding company that is the main parts supplier to AvtoVAZ, and the owner of the Izhevsk-based IzhAvto and about 40 other enterprises in various sectors across Russia.

After the election, Morozov appointed SOK managers to key posts in his administration. His representative in the Federation Council is SOK president Rustem Shiyanov.

In May, Morozov's government adopted a new oblast charter which divided the executive branch along the lines of Russia's federal government. Morozov is governor and works with an oblast prime minister he appoints who is responsible for the social and economic development of the oblast. The basic idea of the plan is that the governor will set overall development strategy, while the oblast prime minister and his government will

implement it. Local critics argue that the change in the executive branch structure will have little real impact. Moreover, they claim that it is a way for the governor to duck responsibility for his duties and to illegally pass authority to someone else. One administration official who wished to remain anonymous noted that the new administration differed little from the old one.

Morozov's goals for the oblast are to attract investment and develop a professional group of managers. One of Russia's poorest regions, Ulyanovsk has little to offer besides the fact that it is the birthplace of Lenin. In the spring, Morozov proposed collecting all unwanted Lenin statues from around Russia and displaying them in a local sculpture garden. Morozov has also revived other Communist era ideas, such as honoring working people with public displays. To address Russia's declining birth rate, he established a father's day to coincide with the birthday of Lenin's father.

The main achievement so far of Morozov's administration is a deal with Gazprom to restructure the oblast's 190 million ruble debt over the next five years. Morozov is also paying more attention to the look of the region's cities and towns. However, in addition to the chronic lack of funds, these projects suffer from a lack of taste and a style heavily influenced by provincialism. - Sergei Gogin in Ulyanovsk

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CENTER-PERIPHERY RELATIONS

BASHKORTOSTAN SEEKS RENEWED POWER-SHARING TREATY...

Tomila Lankina

On 8 September, the Bashkortostan State Council made an official appeal to President Putin to renew the 1994 bilateral power-sharing treaty between the Russian Federation and the republic. Local opposition groups protested the move, fearing it would hand additional power to Bashkortostan President Murtaza Rakhimov (*Kommersant*, 12 September 2005). As part of his efforts to recentralize power, Putin forced the annulment of the treaty in 2002 because it contained provisions violating the federal constitution.

Rakhimov, who has ruled the oil-rich republic in the Volga-Urals area with an iron fist for some fifteen years, is undoubtedly behind the appeal. Together with Tatarstan, Bashkortostan was in the forefront of the republics' "Parade of Sovereignities" securing important power-sharing concessions from Yeltsin's government in the early 1990s.

Although demands for power sharing have been peppered with references to "democracy," "respect for ethnic diversity," and "genuine federalism," they are merely empty phrases given the closed and repressive nature of the Rakhimov autocracy. The non-Bashkir groups in particular see claims to sovereignty as a means for the titular Bashkirs to consolidate power in the republic. Bashkirs, according to the 1989 census, are a minority, representing 21.9 percent of the population. Russians, with 39.9 percent, and Tatars, with 28.4 percent, are the two largest groups in the republic. The latest census,

conducted in 2002, put the Bashkir share of the population at higher than that of Tatars. There is substantial evidence, however, that the surveys were rigged to increase the numbers of Bashkirs living within Bashkortostan.

The opposition initially pinned great hopes on Putin's reform of center-regional relations as an opening to remove Rakhimov and his cronies from power. In 2002, however, Rakhimov, who was then serving his second term as president, benefited from a Constitutional Court ruling regarding term limits. Apparently at the Kremlin's request, the ruling limited governor to two terms, but only starting from October 1999, i.e., when the term limit legislation was adopted. The result was that Rakhimov could look forward to many more years in office, even though he had already served two terms.

During Bashkortostan's 2003 presidential elections, some Kremlin insiders, such as the Deputy Head of Presidential Administration Igor Sechin, apparently supported Rakhimov's chief opponent, then Mezhprombank Vice-President Sergei Veremeenko. Veremeenko presumably would advance the interests of Russia's key energy companies, who were eager to penetrate Bashkortostan's fuel and energy complex, which was controlled by Rakhimov's son Ural (*Profil, ufaweb.ru*, 20 June 2005). Rakhimov, however, had more powerful connections because he had the backing of former presidential chief of staff Aleksander Voloshin, and perhaps Putin himself, allowing him to win the elections.

Although Rakhimov's presidential term ends only in 2008, opposition and human rights activists have campaigned for his early dismissal. They are baffled by Putin's reluctance to use his prerogatives to force Rakhimov to resign in the face of mass protests. Earlier this year, political rallies uniting a broad front of opposition groups - including communists, democrats, and nationalists - shook the republic. Protesters traveled to Moscow, asking Putin to dismiss Rakhimov. Although the protesters' demands were not met, frequent rumors circulated that Rakhimov had lost Putin's support and his removal was only a matter of time. The opposition's hopes were boosted further by allegations that Rakhimov had for a long time sought a personal audience with Putin unsuccessfully.

The news that Rakhimov did finally get to meet privately with Putin in August therefore came as a disappointment to his opponents. It was at this meeting that Rakhimov reportedly secured the president's consent to renew the bilateral treaty, a concession that the Bashkortostani authorities are now trumpeting publicly. In December 2004, Putin also decreed the celebration of the 450th anniversary of the voluntary union of Russia and Bashkortostan as a holiday of "federal significance." A matter of great prestige for the republic, hosting this event in 2007 will help Rakhimov boost his credentials as the "Father of Bashkir Sovereignty."

The deal surrounding the treaty undoubtedly involved a wide range of concessions. Several news agencies reported that Rakhimov had simply bribed the Kremlin, using a complicated financial scheme to allow pro-Kremlin businesses access to the republic's energy sector (*Bashnews.ru, Polit.ru, Democracy.ru*). Presumably, in exchange, Rakhimov won the right to retain a part of his family's energy empire and retire in peace having served his full term, or even name an heir.

Not everybody in Bashkortostan, though, believes that the Kremlin needs Rakhimov in power to gain access to Bashkortostan's oil. As one local observer

explained, "if Bashkortostan had a Kremlin appointee [as its leader], someone other than Rakhimov, he would have given away everything to Moscow, without much fuss."

More likely, the latest developments are another reminder that the 2007-2008 electoral season is now in full swing. A similar power-sharing treaty is already being renewed with Tatarstan (*Kommersant*, 12 September 2005). As with previous elections, the Kremlin will rely on republic heavyweights like Tatarstan President Mintimir Shaimiev and Bashkortostan's Rakhimov to deliver the pro-Kremlin vote in exchange for power concessions. Sadly, this electoral logic clashes with genuine political competition and democracy in the regions, and, indeed, with Putin's own declared goal to reform the federation.

The Kremlin is well aware that Bashkortostan, with over four million people one of Russia's most populous regions, also boasts some of the highest rates of vote "deliverability." The mechanisms are well known. The Bashkir Central Electoral Commission, for years headed by Baryy Kinzyagulov, is notorious for crass electoral manipulations. These falsifications include ballot stuffing, disqualifying opposition candidates based on allegations of forged signatures, and voter intimidation. Polling stations engage in all sorts of tricks to ensure that independent observers or those from opposition parties are not present during voting and ballot counting. Violence against opposition activists, including blackmail and intimidation of their relatives, are also rampant.

Though people are more difficult to control in large urban settings, in rural areas, the regime has no trouble delivering close to 100 percent of the required vote. Here, manipulation of the electoral process often does not even require crass ballot stuffing. On the eve of the elections, farm workers are herded into town halls where they are confronted by all-powerful mayors, who threaten to deprive them of wages or pensions if they do not vote for the right candidate. In the end, people simply vote the way they are told to.

Because local administrations play such an important part in the Rakhimov electoral and support machine, political activists in Bashkortostan have long campaigned for local government reform. The Bashkir constitution contains vague references to "local traditions," which form the basis of local government in the republic. These "local traditions" happen to be Rakhimov's appointment of all mayors in violation of federal legislation, which makes local government separate from regional and federal authorities.

In March, the Bashkortostani authorities put a confusing referendum on local government reform to the public in order to comply formally with the requirement of the 2003 law on local government to solicit grassroots opinion on reforming local institutions. The referendum wording, as local critics fumed, excluded in principle the possibility of popularly elected mayors. Barely a day after the vote, Central Electoral Commission head Kinzyagulov proudly proclaimed the "referendum" valid and the proposals for "new" local structures approved by close to 100 percent of the voters. The next day people woke up to the same old system that the Rakhimov regime had always used to repress them and manipulate their electoral preferences and votes.

It is unlikely that the Kremlin will closely monitor the implementation of the federal legislation on local government anytime before the 2007-2008 elections: why bother if it is precisely these unreformed local bodies that oil Bashkortostan's electoral machine? Equally doubtful is that the Kremlin will seek to replace Rakhimov before his

term expires in 2008. As the "guarantor" of "stability" in the republic, he will be expected to deliver predictable results during the up-coming Duma and presidential elections.

Bashkortostan illustrates how such key items on Putin's declared laundry list for federal reform -- local self-government, gubernatorial term limits, and curbing the excesses of regionalism -- are quickly sacrificed in the service of political expediency. If Rakhimov does indeed host the Bashkir-Russia unification jubilee in 2007, then Ufa will be an appropriate place to celebrate the pathologies inherent in the ostensibly "reformed" federal system in Putin's Russia.

... WHILE BASHKORTOSTANI AUTHORITIES LOSING CONTROL OVER LOCAL OIL. Bashkortostan president Murtaza Rakhimov is gradually being deprived of the commanding control over the republic's economy he once held. Rakhimov has had to agree to sell, or hand over management of, large local energy enterprises in the republic to powerful Russian corporations located in Moscow. In 2003, Rakhimov cut a deal with Gazprom head Aleksei Miller to hand over management of the republic's largest petrochemical plant, Salavatnefteorgsintez, to Gazprom, with plans to ultimately sell off the plant in 2008. This deal helped Rakhimov hang on to power in the 2003 republican presidential elections, when he was under attack from Mezhprombank's Sergei Veremeenko and Lukoil Vice President Ralif Safin, both backed by powerful figures in President Putin's administration. Rakhimov apparently had planned to build a powerful holding company on the basis of Salavatnefteorgsintez, but ultimately decided it was better to sacrifice one enterprise so that he could hang on to his presidential power.

With the elections over, Rakhimov has had to continue the process of handing over republican property to large Moscow companies against his will. In August-September information trickled out that the firm AFK Sistema, headed by Vladimir Evtushenkov who is reportedly close to the Kremlin, paid \$599.7 million for shares in the oil-producing company Bashneft, four oil refineries, and the marketing company Bashkirnefteprodukt.

Rakhimov's son Ural currently controls all of these companies through the family's holding company Bashkir Capital and affiliated companies and was forced to make the sale. Bashkir Capital was established on the eve of the presidential elections in 2003 on the basis of a Rakhimov decree privatizing state-held energy companies. Rakhimov signed this decree so that, if he lost the presidential election, his family would be guaranteed continued control over the oil sector.

According to outside analysts, the assets Ural Rakhimov controls make his company the third largest oil refiner in Russia. At the beginning of 2005, President Rakhimov tried to return the companies his son controlled to state property, signaling a potential family feud between the president and his offspring. Rakhimov even fired his economics and state property ministers, claiming that they had sold off the assets at prices that did not serve state interests. In April the republican courts, which are under Rakhimov's control, started the process of returning the property to the state. However, unexpectedly, in June, the authorities signed a non-aggression pact with the company and withdrew their claims on its assets. Ultimately, the federal arbitration court in Yekaterinburg agreed to the deal, leading Bashkortostan procurator Aleksandr Konovalov to admit that there was little chance that the shares would be returned to the state.

Konovalov, nevertheless, noted that the Russian procurator general could ultimately ask the Supreme Arbitration Court to intervene.

Ural Rakhimov had to sell the shares to Sistema in order to raise the funds required to pay for the deal he had cut with his father's government. The fact that a well-informed company like Sistema would be interested in purchasing such disputed stocks suggests that there is little risk that they will ultimately be taken by the state. However, Sistema purchased them at a significant discount since the company paid \$600 million for stocks valued at \$1.223 billion at the close of trading on the Russian RTS market on 30 September.

As a result of the deal, Sistema has a 25 percent stake in Bashneft and 22 to 28 percent stakes in the refineries, which amounts to a blocking stake in Bashneft and two of the refineries. Sistema also purchased 18.57 percent of Bashkirnefteprodukt. Sistema head Evtushenkov said that his investment is purely financial and that he plans to restructure his assets and sell them. Potential buyers include Gazprom and the new Russian oil company Russneft, headed by Mikhail Gutseriev, the former head of Slavneft.

Since Russia currently is experiencing a deficit of refining capacity, Sistema made a very lucrative deal and Bashkortostan has been deprived of a significant share of oil stocks. Many observers expect the big Moscow companies to continue purchasing energy assets in Bashkortostan. - Igor Rabinovich in Ufa

LAW ENFORCEMENT

MOSCOW REPLACES KEY FAR EAST LAW ENFORCEMENT OFFICIALS. In less than a year's time, the federal authorities have strategically replaced three key law enforcement officials in Primorski Krai: the customs service head, tax service chief, and krai procurator. While the former officials all represented the local political elite, the new appointees come from Siberia or central Russia.

At the end of 2004, Ernest Bakhshetsyan, a protege of Economic Development Minister German Gref, replaced Viktor Vuglyar in the customs post. Sergei Shefatov, from Ulyanovsk, replaced Tamara Butova, in the tax service. And, most recently, on 29 September, with the consent of Primorski Krai governor Sergei Darkhin and the krai legislature, Russian procurator general Vladimir Ustinov appointed Aleksandr Anikin procurator.

Anikin spent most of his early career in the central Vladimir Oblast. After working as the Murom city procurator, he became first deputy Ryazan Oblast procurator. Immediately before coming to the Far East, he served as Tver procurator.

The transfer to Tver in 2000 made Anikin a star. There, following in the path of his predecessor, he focused his energy on investigating Tver Governor Vladimir Platov. The result of that effort was four criminal cases targeting the governor and his three deputies, who were involved in murky dealings with local and Moscow-based businessmen. The case against Platov became so important that the Russian procurator general himself completed the investigation. Platov now faces the possibility of serving a lengthy prison term. After the governor's down fall, Anikin went after the Tver mayor Oleg Lebedev and his deputies, one of whom is already on trial. Anikin now brings this record to Vladivostok.

At a 29 September press conference, Anikin announced that there would not be any purges in the Primorskii Krai's procurator's office and the current employees would keep their positions. Anikin rejected reports in the local media that he was an "extremist" who planned to clean house. He said that he was prepared for "long and serious work" and anticipated "support and understanding" from city and krai authorities.

Anikin said that no one had asked him if he wanted to serve in Vladivostok, but noted that the appointment demonstrated confidence in him from his superiors since the level of crime in the krai was much greater than in the average region. Primorskii Krai is one of the most criminalized in all of Russia.

Valerii Vasilenko, the previous procurator, left office four months ago. Locals connected his departure with a series of prominent killings associated with property disputes and a February 2005 incident in which a former employee of the procurator's office returned and shot three of his former colleagues. Vasilenko was not left seeking work: Governor Darkin immediately appointed him deputy governor for legal issues and relations with the law enforcement agencies, a position he still holds.

In making these high-level law enforcement personnel changes, the Kremlin is replacing local officials with younger, more active men, who above all are loyal to Moscow rather than Vladivostok. The changes are part of the federal government's public battle against corruption. Local groups have tried to influence the decisions, but to little effect.

The first step was to replace the head of the customs agency. The new customs chief quickly replaced many of his subordinates who were leading customs offices in the krai and their deputies. He then filed many criminal cases and started trying to address the enormous contraband flows on the Russian-Chinese border. These actions angered local officials who have long been involved in foreign economic activity, border trade, and fishing. In this situation, the customs service needed the help of other law enforcement agencies. Moscow sent this aid. The new head of the tax service received an order to audit Far Eastern fishing enterprises to ensure that they were paying the value-added tax. In order to complete the Moscow team in the Far East, it was necessary to place an outsider in the key post of krai procurator.

Now, according to rumors circulating in the krai, Moscow is likely to replace the local head of the Federal Security Service (FSB). His replacement is also expected to be an outsider. Other rumors suggest that soon the region will have a new presidential envoy to replace Konstantin Pulikovskii.

It is still too early to say whether these changes will be effective. It is not clear if the new officials will be able to reduce the level of crime in the region or will themselves be subverted by local authorities. Moscow has sought to impose its will on the region many times in the past, but with little success. - Oleg Ssylka in Vladivostok

MEDIA

LOCAL AUTHORITIES CONTROL QUESTIONS TO PUTIN. During President Putin's 27 September dialogue with the country, in which television viewers could ask him questions, the local authorities controlled all the questions that eventually made it on the air. Vorkuta Mayor Igor Shpektor described the process in his polar coal-mining town: "Moscow determined the format and schedule, there were no gaps and the only

requirement was not to lie. They told us that we should have between 50 and 70 people in the audience. We picked groups of 15 persons each from coal miners, teachers, doctors, railroad workers, and students (*Molodezh' severa*, 29 September)."

Initially the administration put together a long list of questions for the president, but then decided to limit the questions to one each from a miner, railroad man, and student. In other words, the local authorities directed all of the interaction between the city's residents and the president and did not allow the people to ask the questions that they felt were most pressing. - Yurii Shabaev in Syktyvkar

TYUMEN MEDIA IGNORES CONFLICT; WEB HAS COVERAGE. Residents of one Tyumen neighborhood are suing city hall, and stirring up quite a ruckus doing so. In alliance with several local environmental, human rights, and religious (Orthodox) organizations, they have also blocked a city street and spray painted obscene slogans on the fence of an unwanted construction project that will change the character of their neighborhood.

At the center of the dispute is the decision of the Tyumen mayor's office to allow the construction of an elite tourist complex, called Castle on the Hill, with a hotel and bar in a desirable city grove of trees. Initially, the construction firm Siberian Landscape requested permission to build a small building next to the grove offering in return to renovate the entire site. The nearby residents, represented by the local council, agreed.

However, it later became clear that the firm did not plan to erect a small building, but a large new resort facility, which would require cutting down part of the grove. The area currently contains a cemetery that includes the remains of people who were shot during the Stalin era. Another major concern for the residents is that the new complex is located extremely close to an existing apartment building.

The residents initially took the case to court and won a favorable decision. However, the builder appealed and had the decision of the first court overturned. The residents claim that the appeals court made its decision on the basis of forged documents in the context of corruption. While the Supreme Court is considering the case, the builder has started construction work.

During the first day of construction, the builder brought a crane through a nearby playground. The residents tried to block the crane and immediately came into conflict with the construction firm's security service, made up of young men who dress in the style of local crime groups. The incident degenerated into a fistfight between the two sides. When the residents called the police, only one officer actually showed up, and the fight continued in his presence. Several residents were injured in the fracas. In order to draw wider attention to the situation, the residents decided to blockade the street, an action that lasted about an hour. The residents involved were cited for these actions, but they succeeded in their goal of summoning public officials to the site, and these officials demanded the removal of the crane from the playground.

Presently, the construction work is continuing. Workers have already built a concrete fence, on which the residents painted graffiti denouncing the mayor and the governor. The residents became further convinced that the governor had approved the construction when, two days after the construction firm's security service had beaten the residents, the governor met with the local media in a cafe belonging to the director of the

Siberian Landscape firm. Local residents took this act as a symbol that the governor had lent his support to the construction project.

Most local media have ignored the conflict. Only a few Internet sites have provided coverage to the incident (see in particular, <http://golosa.info/node/229>). The on-line news service uralpolit.ru, which typically supports the governor's position, accused the residents of using children during the conflict. These accusations are not completely baseless: children did stand on their ruined hockey court with homemade placards. The residents claim that they did not drag the children into the dispute, but that the children demanded that they get involved.

If one counts the first protest lodged by local residents against the project, this dispute has lasted ten years. - Elena Arbatskaya in Tyumen

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LOCAL GOVERNMENT REFORM

NEW SYSTEM WEAKENS MUNICIPALITIES

Tomila Lankina

Early during his first term, President Vladimir Putin promised to reform Russia's system of local government. Many government ministers, municipal practitioners, and even opposition politicians welcomed this pledge. Sadly, the new legislation and its implementation dashed the hopes of those who sought genuine and more efficient grassroots governance. The experience makes clear that the Kremlin continues to regard local government as an instrument for furthering its political and electoral interests, and not of bottom-up citizens' rule.

That Putin's proposals for local government reform were generally well received is not surprising. The reform promised to endow every "town, village, and settlement" with "genuine" local government by creating municipalities in areas where they were previously lacking. It also sought to ensure that local governments would have a more stable and predictable financial base for performing their assigned functions.

In 2001, Putin set up a special commission headed by then Deputy Presidential Chief of Staff Dmitrii Kozak to come up with proposals to improve local governance and draft a new law, a mission it accomplished. Despite a variety of criticisms, the draft swiftly glided through the Kremlin-controlled Duma. The president signed the new

legislation in 2003, and it was to take full effect on 1 January 2006. In October, however, Putin postponed full implementation until the beginning of 2009.

The law provided for the creation of three types of local institutions: *poseleniia* (settlements), *munitsipal'nye raiony* (municipal counties) and *gorodskie okruga* (city districts), each with a clearly defined set of functions. This elaborate, but clearly demarcated group of institutions sought to improve on the 1995 Yeltsin-era law, which allowed for numerous types of local bodies without clearly defining their precise responsibilities.

Even before Putin had signed off on the law, local government representatives, liberal politicians, and academics strongly criticized many of the key features. The critics particularly blasted provisions endowing regional bodies, which stand between the federal and local governments, with the power to implement the reform and manage many aspects of the newly-created municipal governments. The critics feared that these provisions represented a political concession to the governors, who had lost many of their powers in the context of Putin's federal reforms. Local officials and liberal deputies in the Duma were also hesitant to endorse the bill until it clearly defined reliable revenue sources that would give the municipal governments the money they needed to perform the functions assigned them. Additionally, they sought corresponding changes in the federal tax and budget codes that would make the financial provisions of the law a reality. Without changes in those codes, the municipalities had little hope of receiving the money due them. The critics warned that legislation which gave governors and regional administrations power over local government and did not guarantee local government a sound revenue base would undermine the independence of Russia's municipalities.

How is the law being implemented two years after it was adopted? The first step in fulfilling the law's provisions was to create new local institutions and delineate their administrative boundaries. By fall 2005, Russia has established 11,000 new municipalities, raising the total number of local governments to over 24,000. Many of these new bodies are in areas previously lacking local government institutions, or where they had hitherto existed, but were abolished by Yeltsin in 1993.

It quickly emerged, however, that the more politically powerful and economically self-sufficient localities have suffered the most in the process. Experts at the Moscow-based Urban Economics Institute, which closely monitors developments on the ground, report that resource-rich towns with populations as large as 250,000 frequently lost their status as self-standing cities and were demoted to the status of urban settlements (*OPEC.ru*, 25 July; *Regnum* 20 July).

This trend confirmed some of the worst fears of local government advocates when they criticized initial drafts of the law. The law gives regional authorities the upper hand in the process of redistricting and changing the status of localities. Just as local actors warned, regional governments have used their capacities to weaken the more politically and economically powerful cities. In many cities, the status change provoked mass grassroots protests. However, the regional authorities ignored these protests.

The second major component of the reform sought to clarify the range of functions that local governments were supposed to perform and make sure that the localities had sufficient revenues to carry out the tasks assigned them. Downgrading the status of the larger cities effectively meant that they lost important resources, which are being redistributed to other layers of government. Smaller towns have suffered in the

process as well. Since the reform transferred many cost-intensive functions to the local level, these governments now must keep meticulous financial and notary records for all property and land plots. Seemingly minor expenditures, such as fees paid to the recorder, the *buro tekhnicheskoy inventarisatsii*, could consume a substantial chunk of the already meager local budgets. Many municipalities have reported that they simply do not have the money to foot the bill for this level of accounting.

Notary services aside, local functionaries across the board grumble that they lack the revenues necessary to fulfill the mandates assigned to them under the new law. As critics feared, the law has remained rather vague as to sources of local revenues, which in turn complicates the formation of local budgets.

The final aspect of the reform was to hold elections to the newly created bodies. The deadline for fulfilling this stipulation was November 2005. By the end of August, local elections had taken place in twenty-six regions; the electoral marathon involving the remaining regions is ongoing, and will be completed this fall.

The strength of local electoral politics, however, has varied considerably from region to region. This variation suggests that the new local governments are not everywhere perceived as powerful bodies with a capacity to make a difference of the kind supported by reform ideologues. In many areas, particularly in the countryside, the locals' lack of interest in voting or running for local positions has been a great source of concern, even panic, for regional officials and electoral commission members keen on demonstrating that the reform is going smoothly. For example, in Arkhangelsk oblast, at one point the local electoral commission reported that there were not enough candidates for elections to take place in all settlements. In Sakha-Yakutia, by the end of August, a meager 199 candidates sought to contest the 4,462 deputy seats in the October local elections (*Regnum*, 25 August 2005). In Tatarstan's rural areas, where local elections took place on 16 October, for the 8,060 local council seats only 9,824 candidates were registered (*Nezavisimaya gazeta*, 6 October 2005). And in Vladimir, in 96 out of 127 localities, just weeks before the elections, not a single person found the job of mayor competing for (*Regnum*, 25 August 2005). Finally, in many of Karelia's towns not enough candidates put their names forward to make the elections competitive, while over 300 candidates contesting the 2,072 local council seats reportedly have a criminal record (*Nezavisimaya gazeta*, 30 September 2005).

In other regions, and in larger localities, however, there has been more interest in local council positions. In Volgograd, where several localities opted for a mixed majority and party-list system, eight parties contested the local elections (volganet.ru). In the Moscow Oblast's September elections, the democrats coalesced into a "New Democratic Podmoskov'e" block with a single list of candidates from the Union of Right Forces (SPS), Yabloko, the Greens, and other parties (*Regnum*, 27 August 2005).

Unsurprisingly, the pro-government United Russia has been particularly active. In Ryazan, for example, the party nominated some 65 percent of all candidates for local executive posts, and 51 percent for council positions in rural and urban settlements, while in Tver Oblast every fifth candidate is from United Russia (*Regnum NI*, 27 August 2005; 23 August 2005).

Governors affiliated with United Russia, or simply keen on demonstrating their loyalty to the Kremlin, have also used their administrative resources to aid the party's electoral success. In Tatarstan, opposition candidates complained that regional bodies

pressured non-United Russia candidates to withdraw their names with threats of criminal investigations or other kinds of harassment (*Nezavisimaya gazeta*, 6 October 2005). In other regions, such as Karelia, the governor's task was easier: here he simply mobilized the party's regional branch to fill the electoral vacuum and nominate candidates in the lackluster elections (*Nezavisimaya gazeta*, 30 September 2005).

Looking forward to the end of November when the elections were to be completed, supporters of the reform thought that at least then local government institutions would be in place. Despite the shortcomings of the reform, the establishment of these bodies provided some hope for the reinvigoration of local governance and politics.

It therefore came as a blow to many localities and local practitioners when in September the Kremlin pushed an amendment through the parliament allowing for a "transitional period," postponing the full implementation of the reform for another three years, until 1 January 2009. Putin signed this amendment into law on 12 October.

As with other provisions of the new law on local government, the 2006 deadline came under heavy criticism when the law was being debated. Practitioners on the ground warned that the deadline would not allow enough time for fulfilling the law's requirements. Given the lackluster turnout for many of the elections, they were proven to be right. However, now that most of the formal provisions of the law have been fulfilled, municipal enthusiasts regard the latest amendment as a mockery of the reform process. Their derision comes because considerable resources and energy have already been spent on establishing the new institutions, delineating their powers, and holding local elections. However critical they might be of various aspects of the reform, municipalities have approached it in earnest, hoping that once the local budgets were formed, they could start fulfilling their functions in a meaningful way.

Highly-placed federal officials have criticized the decision to postpone the reform, including Director of the Inter-Budgetary Relations Department at the Finance Ministry Anton Siluanov and prominent United Russia Duma members involved with the reform, such as the head of the Committee on Local Self-government Vladimir Mokryy. Because the law provides for a comprehensive revision of local functions dealing with a diverse range of policies - including housing, communal services, urban planning, healthcare and education - some 160 federal laws have already been amended to make them consistent with the local government law. This amended legislation will come into force on the original date for the local government reform: 1 January 2006. Postponing the reform creates a morass of complications and legal confusion for both local and federal officials because now the laws are out of sync (*Kommersant*, 19 September 2005).

In practice now hundreds of local governments will be nothing more than shells, complete with newly elected local councilors and newly hired or appointed local administrations, but lacking budgets. Governors and other regional officials will determine how much money the municipalities will receive and what their responsibilities will be during the intermediate period until 2009.

The Kremlin's decision to postpone the reform is yet another indication that genuine local governance is not the key determinant in setting the course and schedule of the reform. The rationale that presidential chief of staff Dmitry Medvedev and his deputy Vladislav Surkov provided in justifying the delay was to avoid "social instability" that

might "negatively influence the results of the 2007-2008 elections" (*Kommersant*, 19 September 2005).

Bearing in mind the wildly unpopular reform at the beginning of the year in which benefits such as access to free transportation were replaced with small cash payments that were of much lesser value, the Kremlin may fear that the hastily established local governments staffed with inexperienced novices may negatively affect the quality of local services, in turn breeding anti-government hostility. The Kremlin might also be interested in keeping local governments in a state of dependence on governors, at least until after the important up-coming parliamentary and presidential elections. Russian campaign strategists want pliable local governments as a weapon in their arsenals. In many regions, the governors rely on municipalities to mobilize local voters for pro-Kremlin political campaigns and even engage in ballot stuffing. The fact that the governors can now decide on the range of local functions and resources will allow them to selectively reward or penalize the localities depending on their political positions. This cynical take on the decision to postpone the reform would also explain why the Kremlin waited until the local elections had taken place or were under way in most regions before it secured the postponement of the reform. The newly created local councils staffed with United Russia loyalists would further facilitate the delivery of the pro-Kremlin vote in 2007 and 2008.

Sadly, on balance the local government reform has done little to extricate municipalities from their weak and subordinate status. In fact, it has only made their situation worse. As has so often been the case in Russia's political history, the "reformed" local government is beholden to higher powers rather than the grassroots.

REGIONAL COOPERATION

SARATOV GOVERNOR WORRIED ABOUT SAMARA "RAIDERS." Saratov businessmen have long been worried that they are being squeezed out of their own region by aggressive businessmen from next-door Samara, who are making increasing inroads in their market. The phenomenon presents a problem for the Saratov authorities because companies pay taxes in the region in which they are registered. As a result, an increasing amount of tax revenue that once flowed into Saratov's coffers is now instead going to Samara.

At the beginning of September, Saratov Governor Pavel Ipatov visited Samara in part to discuss this problem with Governor Konstantin Titov. Titov, however, was not sympathetic to his neighbor's plight, offering no help in controlling the expansion of Samara-based firms.

Ipatov has stressed the importance of maintaining good relations with neighboring regions. He criticized his predecessor, former Governor Dmitrii Ayatskov, pointing out that Saratov had signed 45 agreements with other regions, but that they had almost no value. Ayatskov had spent a considerable amount of time developing these ties, but did not maintain good relations with his closest neighbors, Samara and Volgograd. Early in his first term, Saratov had tried to take over part of Volgograd Oblast's territory with oil wells, leading Volgograd officials to reject later overtures from Saratov. At the same time, several of Saratov Oblast's raions announced their desire to join the more economically dynamic Samara Oblast, leading to tensions between Saratov and Samara.

Ipatov, in contrast to Ayatskov, does not have to worry about this baggage and hoped to focus on the issue of business relations.

The issue of aggressive Samara firms rose during the end of the Ayatskov era, when his power was declining. Typically, strong Russian governors try to protect local markets from outsiders, helping businesses associated with the regional administration, but blocking the normal functioning of the free market, typically leading to poorer quality goods and higher prices for local consumers. Ipatov has not been able to provide any resources in addressing this problem, either to block out the aggressive Samara competitors or to help the local Saratov businesses compete better.

Ipatov hopes that Saratov's interregional relations will not be limited to problems with its immediate neighbors. In the near future, Ipatov plans to visit Moscow Oblast, where he claims to have "personal relations" with Governor Boris Gromov. - Ilya Malyakin in Saratov

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In *The Dynamics of Russian Politics* Russian and Western authors from the fields of political science, economics, ethnology, law, and journalism examine the reform's impact on key areas of Russian life, including big business, law enforcement, corruption, political party development, health care, local government, small business, and ethnic relations. Volume I presented the historical context and an overview of the reforms, then tracked how Putin's plans were implemented and resisted across each of the seven new federal *okrugs*, or megaregions, into which he divided Russia. In particular, the authors analyzed the goals and contrasting political styles of his seven commissars and how their often-concealed struggles with the more independent and determined governors played out.

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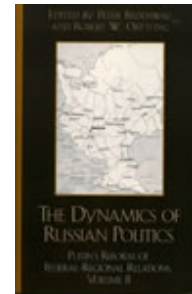
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In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the

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The Federal Institute of Technology Zurich (ETH, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. The ETH itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research and administration. The ETH currently has 11,700 registered students.

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COMMENTS AND QUESTIONS

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DRUG TRADE

CHELYABINSK CONFERENCE EXAMINES RUSSIA'S SOUTHERN BORDER.

On 28 October, the Law Department of Southern Ural State University, the Chelyabinsk Oblast Department of the Russian Federal Service for Controlling the Drug Trade, and the Transnational Crime and Corruption Center (TraCCC) co-sponsored a conference entitled "Legislative and Implementation Problems in Combating the Drug Trade" in Chelyabinsk. The approximately 100 participants included top officials from the Russian anti-narcotics agency; the Chelyabinsk procurator's office; the local branch of the Ministry of Internal Affairs; the United Nations Office on Drugs and Crime (Vienna); and scholars from Southern Ural State University, Chelyabinsk State University, Volgograd State University, and the Institute for the Friendship of the Caucasus Peoples (Stavropol).

In the course of the presentations and discussion, a representative of the Chelyabinsk MVD noted that drug use is a serious concern in the region and was pessimistic about the chance for improvements any time soon. He emphasized that the drug problem involved more than just narcotics because it led to an increased number of thefts on city streets and created dangers for young people.

The police simply do not have the resources to address the problem. While the procurator wants them to arrest people with even small quantities of drugs, the police force lacks the manpower to make such arrests.

A major problem for the police in addressing the drug trade is that ordinary citizens are unwilling to provide information to the authorities. Most members of the local population do not trust the police, viewing them as a corrupt menace rather than a shield, and avoid contact with them at all costs. Resolving Russia's drug problem would, in part, require improving the image of the police in Russian society, a task that will be extremely difficult in current conditions.

One possible solution for this problem is the establishment of volunteer groups of ordinary citizens who can serve as a link between the local population and the police. These people already live in the neighborhoods and the general population would be more likely to trust them than uniformed officers. They could then funnel useful information to the authorities.

A representative of the Chelyabinsk procurator's office argued that Russian law should make it easier for him to reduce the sentences of low level drug dealers who provide useful information in catching wholesale traders and other individuals higher up the chain. Having this ability would make it easier for law enforcement officials to obtain more information about the people who organize the drug trade rather than simply arresting low level couriers, who are quickly replaced. Now, according to article 228 of the Russian criminal code, procurators can only secure a reduced sentence if a drug dealer both turns over his drugs voluntarily and then provides useful information. The procurators wants to change the wording of the code so that if a dealer EITHER turns over his drugs voluntarily OR provides valuable information it will be possible to reduce his sentence.

The procurator also argued that Russian law should make it easier for the police to confiscate the property of drug dealers. The State Duma is currently examining a bill to do this. The authorities lost most of their ability to confiscate property in 2003. If police are not able to take away the property gained from drug trades, the arrested drug dealer will simply be replaced by someone else, who will be able to use the assets to promote further drug sales. Some legal experts pointed out that, even if the law provides for such confiscation, it will be difficult to enforce because often it is difficult to prove that the property belongs to a specific individual. Frequently, targets of confiscation register their property in the name of relatives or friends.

Several speakers suggested that one way to improve the quality of police work would be to stop judging their effectiveness by the percentage of how many crimes they solved. Currently police are reluctant to register crimes they cannot solve because doing so would lower their performance rating. Removing this criterion in favor of alternative measures of effectiveness would make it easier to obtain a realistic picture of the current criminal situation.

There were a variety of opinions on whether the police, Federal Security Service (FSB), and federal anti-narcotics agency work together well. Police representatives suggested that they cooperated because they shared information. Representatives of the federal anti-narcotics agency argued, on the other hand, that they had compiled extensive databases, which were not being effectively utilized. Others suggested that there was "healthy competition" among the agencies and that they had different spheres of activity,

with the police mainly dealing with transportation and distribution of drugs within the city and monitoring the prison population. Many of the people who previously worked in the MVD and the FSB combating drugs went to work for the federal anti-narcotics agency after its creation in 2003. The agency also claims to have representatives within the other agencies. No representatives of the FSB were present at the conference. Despite the plethora of agencies, one police official pointed out that nobody is working to stem the flow of drugs between regions.

Most of Russia's heroin comes from Afghanistan along trade routes through Central Asia. The United Nations Office on Drugs and Crime (Vienna) estimates production in Afghanistan to be as high as \$40 billion a year, giving Afghan producers a strong interest in opening up new markets, with Russia a lucrative target. The profit margin for drug traders is also large. Currently, traders can realize a twenty-fold markup by transporting drugs from Afghanistan to Russia. Moreover, the increasingly high concentration of the heroin greatly increases the chances of overdosing. Despite the gigantic size of the problem, only \$500 million for 2005-2006 has been devoted to the development of an alternative economy in Afghanistan.

Given the inability of US troops in Afghanistan to control drug production, the UN has concluded that the only way to address the problem is through reducing demand for narcotics in Russia and other countries. However, the federal anti-drug agency has no financing for media advertisements warning young people about the dangers of drugs. Since there is no money for such ads, most broadcast and print media are not interested in accepting them.

A further consequence of the drug trade is that it hurts relations between different ethnic groups. Volgograd State University's Sergei Golunov charged that media articles and some statements by anti-narcotics officials unfairly blame the problem on Tajik, Azerbaijani, or Roma ethnic diasporas, arguing that the media and officials frequently use data which is insufficient to support these claims. He argued that data on the ethnic identity of those arrested is not representative of the overall ethnic make-up of the drug trade and that far from all members of the targeted ethnic diasporas were actually involved in the drug trade. He stressed that drug networks are segmented and ethnic groups involved in the drug trade tend to work well with each other. He warned that if the media and authorities were not careful in how they described the problem, they could foster inter-ethnic tensions as dangerous as the drug trade itself.

Golunov's presentation provoked a heated debate. Representatives of the federal anti-narcotics agency stressed that they were trying to establish groups to make it possible for them to work with the ethnic diasporas. They expressed enormous frustration that even when they had identified some of the top drug trade leaders in Tajikistan, they were unable to take action against them.

The officials accused some scholars of being "out of touch with reality" by focusing on tolerance issues when they were trying to deal with such a complicated problem as the drug trade. As an example of the complicated processes at work in the oblast, this official referred to his experience in the 1990s fighting the money laundering operations of the Chernoi brothers. At that time, the Chernoi brothers controlled many of the metal factories in Siberia and were seeking to gain control over Chelyabinsk factories. The Chelyabinsk factories secured most of their ore and coal from Kazakhstan. With roots in Kazakhstan, the Chernoi brothers sought to use their control over the raw

material supplies to weaken the metal factories so they could purchase them. Additionally, the brothers worked in association with Georgian crime groups based in Kazakhstan. The Georgians applied pressure to shareholders to convince them to sell their stocks. The officials did not see how they could address these complex crime problems and take tolerance issues into account simultaneously. - Robert Orttung in Chelyabinsk

LOCAL GOVERNMENT

MUNICIPAL ELECTIONS IN TATARSTAN: OLD WINE IN NEW BOTTLES?

After years of direct rule from the republican level, Tatarstan held elections to the local government on 16 October. These elections, conducted in accordance with the new federal law 131 ("On the general principles of local self-government"), were intended to create a system of local government at the raion, city, town and village levels. Prior to these elections, local government in Tatarstan existed only at the town and village levels, while President Mintimer Shaimiev appointed the mayor of Kazan and raion chiefs. For the elections, the republic was divided into 999 municipalities, which included both newly formed jurisdictions and ones that had been previously defined.

Despite the new procedures for choosing leaders, the outcome looked much the same as in previous years. The election results revealed once again the power republican leaders command and the workings of a "very-well-managed democracy" in the region. Over 80 percent of the candidates ran unopposed. Elections without alternatives were especially prevalent in the rural areas, while contests in the major cities of Kazan and Naberezhnye Chelny were more competitive. One of the key official concerns before the elections was turnout; ultimately, however, participation amounted to 62 percent across the republic, with almost 40 percent in the capital city of Kazan and much higher turnout in the rural areas, with Atninski and Apastovski raions setting record 99 percent figures.

Officials exerted considerable pressure to achieve such numbers. Directors of publicly financed institutions, such as hospitals and schools, and industrial managers used their influence among employees to mobilize voters. All but one raion chief, who were until now appointed by the republican president, won reelection. The two parties of power - the nationwide United Russia and the republican "Tatarstan – new century" together took over 70 percent of the vote. Both parties are led by Farid Mukhametshin, the speaker of the republican legislature. The remaining parties, including the Communist Party, Vladimir Zhirinovskiy's Liberal Democratic Party of Russia and the Union of Right-wing Forces (SPS), together received less than 1 percent.

Kazan Mayor Kamil Iskhakov, seen by some political commentators as a potential alternative to President Shaimiev, won election to the city council with 52 percent of the vote, ending one of the key political intrigues concerning the elections. The 50 new deputies of the Kazan city council were to cast a secret ballot by 1 November to elect a new mayor. Iskhakov is now almost guaranteed to continue as a mayor of Kazan; however, the contest over the city's financial base, crucial in determining the mayor's level of political independence, has not ended yet. The republican legislature continues to debate the question, but has reached no final conclusion. - Gulnaz Sharafutdinova in Kazan

REGIONAL POLITICS

PUTIN APPOINTS ILYUMZHINOV TO ANOTHER TERM IN KALMYKIA.

President Putin nominated Kalmykia President Kirsan Ilyumzhinov for a new term on 19 October, giving his blessing to the republic's leader who has been in office since 1993. Ilyumzhinov is one of the most controversial regional leaders and would have been a likely candidate for removal if Putin sincerely sought to use his new power to appoint governors to put his own stamp on the regional leadership.

Ilyumzhinov asked Putin to reappoint him on 4 October, even though his current, elected term does not end until November 2007. His move took most local politicians and observers by surprise. Ilyumzhinov, who is also president of the International Chess Federation, felt that the current situation worked in his favor and sought to take advantage of it. First, like never before, Putin and the federal establishment looks favorably on Ilyumzhinov. In March, Putin included Ilyumzhinov in the State Council. In June Putin visited Kalmykia. Finally, the program of state support for agriculture that Ilyumzhinov worked on in the State Council effectively became one of the four priorities that Putin announced in September would guide his policy until 2008.

Second, as before, the Kalmykia elite continues to support Ilyumzhinov, seeing him as a leader and arbiter. It seemed that the election of Igor Kichikov as the new legislative speaker in April created a new independent political player in the republic who would compete with Ilyumzhinov. Indeed, Kichikov quickly became the number two man in the republic. He demonstrated an ability to set his own policy course and to implement his own plans. However, he never came into confrontation with Ilyumzhinov, though he has criticized some of the policies of the republican government.

Ilyumzhinov's response to Kichikov's sudden rise was to appoint his brother Oleg to the post of the republic's deputy prime minister. Oleg Kichikov will be in charge of special investment projects and, most importantly, the construction of the Lagan international port on the shore of the Caspian Sea. This port is part of the larger North-South transportation corridor project uniting the countries of Asia and Europe. By helping to strengthen the position of the Kichikov family, Ilyumzhinov correctly assumed that he could count on the support of the speaker in assuring that the members of the republican parliament approved Putin's appointment of Ilyumzhinov to a new term, as they did on 24 October.

Ilyumzhinov's success in securing another term took the local opposition by surprise since many of them assumed that Putin would remove him. Now, the opposition is split, with some seeking to continue opposing Ilyumzhinov and others, like Deputy Chairman of the Executive Committee of the Extraordinary Congress of Kalmyk People Basan Gorodovikov, planning to emigrate. - Vladimir Volgin in Elista

RUSSIAN PRISONS

ULYANOVSK INMATES PROTEST CONDITIONS. About 140 prisoners at Dimitrovgrad prison colony no. 3, located 100 km from Ulyanovsk, held a three-day hunger strike to demand an improvement in their conditions. According to local procurators, several imprisoned *avtoriteti*, seeking to establish control over the prison, organized the strike.

The prisoners began the protest on 11 September, making a number of demands. Among other things, they sought to be free from the job of cleaning toilets. Currently prisoners must spend two hours a week on such jobs without compensation. They also sought tea and coffee for those in solitary confinement and that imprisoned homosexuals eat in separate facilities.

About 100 prisoners cut themselves to demonstrate the extent of their unhappiness, but the authorities said that their wounds were mainly symbolic, and only four needed medical attention.

The prison warden responded that the demands were illegal and about 40 of the prisoners gave up their hunger strike on the first day.

Dimitrovgrad colony no. 3 is considered one of the best prisons in Russia. It holds 1,200 prisoners, including 100 high security prisoners. Prisoners make auto parts, furniture, and sewn goods. Among the prisoners is former Colonel Yuri Budonov, sentenced in a well publicized trial for murdering a Chechen girl.

None of the strikers could explain why they were on strike, according to the Ulyanovsk Oblast prison spokeswoman Valetina Kasyanova. The prison department's human rights ombudsman claimed that many of the prisoners are repeat offenders, who move from colony to colony.

The main cause behind the strike was an attempt by criminal authorities to take control of the prison, according to Vasilii Zimny, a senior adviser to the oblast procurator. In contrast to the so-called "black zones," where criminal law prevails, the Dimitrovgrad colony is a "red zone," where the warden controls the prisoners.

Prisoners who had participated in the recent prison protests in L'gov, Kursk Oblast, were among the initiators of the Ulyanovsk unrest, according to deputy director of the federal corrections service Vladimir Semenyuk. Hundreds of prisoners cut themselves in that protest (See RRR for 27 July 2005). Most incidents like this follow attempts by the prison authorities to take power from prisoner leaders. The prisoners from L'gov came from a black zone and sought to impose similar conditions in Ulyanovsk Oblast.

By the end of 14 September, all the hunger strikers gave up their protests. The oblast procurator investigated some of the prisoners' complaints, found violations, and filed charges against the prison administration for exceeding its authority. According to Just Minister Yuri Chaika, the administration had allowed some violations.

The procurator's office, rather than the prison administration, was the first to speak openly about the incident. "It is their area, but since the lack of information leads to rumors and fantasies, we held a press conference," Zima said. - Sergei Gogin in Ulyanovsk

NORTH CAUCASUS

MOSCOW SEES DEEP PROBLEMS IN TROUBLED REGION. On 23 September, President Putin gave a speech sharply criticizing the leaders of the North Caucasus republics. Putin focused on the extreme corruption and clan relations in the region. These problems are apparent in all Russian regions, but are particularly prominent in the North Caucasus, where society is structured along tribal lines and family ties are very important. The authorities intervene in many spheres of life, local markets are

monopolized and effectively closed to outsiders, public officials often block competition and are frequently corrupt. The practice of handing out individualized tax and other benefits is widespread, as are preferences in the distribution of financial and material resources. Putin said that specific bureaucrats or local clans stand behind these problems.

Local markets are closed to outside investors, who can only get access by buying off the local elite. The markets are likewise closed to local entrepreneurs, who would create unwanted competition for the relatives of highly placed officials currently working in the markets. If someone takes the chance of violating these rules of the game, he risks coming under pressure from financial auditing agencies and, in the case of continued resistance, the threat of violence. The sharpest example of this problem was the scandal at the end of 2004 leading to large disturbances in Karachaevo-Cherkessia. Then the son-in-law of the republican president, Ali Kaitov, and his friends shot seven business competitors, who did not want to sell their shares in the republic's largest enterprise, the Cherkessk Chemical Factory. The police did everything possible to cover up the murders, and most likely the crime never would have been solved, if the victims had not themselves belonged to power local clans, who brought hundreds of their supporters on the streets to demand the resignation of the republican president.

In his talk Putin criticized the work of the law enforcement agencies in the southern republics. He noted that the Southern Federal District has the highest density of law enforcement agencies, not only in Russia, but also in Europe and North America. There are 1,200 law enforcement agents for every 100,000 residents. At the same time there are many questions about how effective these agents are and whether the money spent on them is effective. The greatest problem though is that they often go beyond their functions and baselessly intervene in economic life.

Putin described the social and economic situation in the south as extremely tense. The gross regional product (GRP) in the region is half the average Russian GRP and incomes are also lower. One of the basic problems is unemployment, reaching up to 60 percent of the working age population in some republics. Poverty is much higher in this region than in other regions. In the non-ethnic Russian regions with Muslim populations, the poverty and unemployment lead many young people to work with extremist and terrorist organizations. The Federal Security Service has presented information suggesting that extremist organizations attract young people from depressed regions because they represent the only way to earn money to support their families. The economic stagnation comes against the background of the high economic potential of the majority of mountain republics. They are rich in resources, such as oil, have climates suitable for agriculture, and could exploit their natural beauty to develop the tourist business. However, potential investors from other regions have come up against the problem of local "feudal capitalism," and prefer not to invest money in the Caucasus.

All federal efforts to improve the situation have failed, Putin lamented. The federal government has spent, and continues to spend, enormous sums on addressing the problems of the region. During the last four years, federal spending per southern resident has increased 3.5 times. This money had little impact in the region because most of it was either stolen or directed to ineffective projects backed by the relatives of highly-placed local bureaucrats.

This criticism was not unexpected. At the beginning of the year, presidential envoy to the Southern Federal District Dmitrii Kozak prepared a secret report about the

situation in the south. During the summer, part of this document was made public, though it is unclear whether this was a leak or planned release of information. In the report, Kozak described the situation as catastrophic. He noted the formation of "corporatist societies" monopolizing political and economic resources. In all north Caucasus republics, the political and corporate leaders are all related to one another. As a result, this tyranny gives rise to apathy among most of the population. In most republics, there is no real opposition to the authorities.

Kozak then suggested imposing federal financial administration on the republics, as envisioned in the 2003 municipal reform package. Beginning on 1 January 2007, these laws provide for anti-crisis administration where the accumulated debt to the federal budget is more than 30 percent of the republican budget. Kozak suggested speeding up the ability to use this authority and also suggested the ability to impose it in cases where federal subsidies exceed 80 percent of republican revenues. The first candidates for the imposition of federal economic control are Kabardino-Balkaria, Dagestan, Ingushetia, and Chechnya. This list could easily include all republics of the North Caucasus, where the situation is not much better. In this way, the presidential envoy could take complete control over the distribution of funds in the republics and thereby weaken the flow of financial sources feeding local corruption. Kozak also proposes carrying out a series of investment and legal measures in 2006-2008 and conducting serious work on reducing administrative barriers. In short, he suggested that the republican leaders open their local markets to full-blooded competition.

The Kremlin seems to be moving to change the North Caucasus leaders who do not agree to adopt the new rules of the game and include their regions in the larger Russian economic and legal space. In the spring the Kremlin removed North Osetia President Aleksandr Dzasokhov from his post. In the middle of September Kabardino-Balkaria President Valerii Kokov stepped down after ruling the republic since 1990. He died a few weeks later. The next to go is expected to be Dagestan leader Magomedali Magomedov, whose term expires next year. Only time will tell whether these personnel changes affect the situation.

Clan ties in the North Caucasus are not simply a social phenomenon, but a part of life and the cultural mental landscape. Corrupt ties affect not only the entire state apparatus of the southern republics from top to bottom, but reach far from the republics to Moscow. In these conditions, replacing the leaders could be nothing more than decorative changes, in which new actors will simply perform old roles. - Sergei Danilchenko in Krasnodar

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THE DYNAMICS OF RUSSIAN POLITICS: PUTIN'S REFORM OF FEDERAL-REGIONAL RELATIONS, VOLUME 2, edited by Peter Reddaway and Robert Orttung

Who rules Russia? This question is generated by President Vladimir Putin's most ambitious reform program to date - his attempt since 2000 to reshape the Russian federation, centralize much of the power lost by the Kremlin to the eighty-nine regional governors during the 1990s, and strengthen his weak grip on Russia's institutions and

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In *The Dynamics of Russian Politics* Russian and Western authors from the fields of political science, economics, ethnology, law, and journalism examine the reform's impact on key areas of Russian life, including big business, law enforcement, corruption, political party development, health care, local government, small business, and ethnic relations. Volume I presented the historical context and an overview of the reforms, then tracked how Putin's plans were implemented and resisted across each of the seven new federal *okrugs*, or megaregions, into which he divided Russia. In particular, the authors analyzed the goals and contrasting political styles of his seven commissars and how their often-concealed struggles with the more independent and determined governors played out.

Volume II examines the impact of these reforms on Russia's main political institutions; the increasingly assertive business community; and the defense, police, and security ministries. It also analyzes how the reforms have affected such key policy areas as local government, health care, political party development, the battle against corruption, small business, ethnic relations, and the ongoing Chechen war. Together, the two volumes simultaneously reveal that Putin's successes have been much more limited and ambiguous than is widely believed in the West while offering detailed and nuanced answers to the difficult but crucial question: Who rules Russia?

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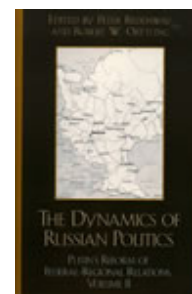
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In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government and private foundations, TraCCC's basic goal is to better understand the causes and scope of transnational crime and corruption and to propose well-grounded policy. Much of our work to date has focused on the analysis of transnational crime and corruption in the countries of the former Soviet Union. In achieving our goals, we work with the public, media, law enforcement, policymaking, legislative, judicial, academic and business communities. To undertake this kind of collaborative work, we have partnered with the best scholars and practitioners in Russia, Ukraine and Georgia through multidisciplinary research centers.

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COMMENTS AND QUESTIONS

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ISLAM IN RUSSIA

ANTI-ISLAM REPRESSIONS ESCALATING IN RUSSIAN REGIONS. On 19 October police in Ulyanovsk Oblast arrested a group of Muslims belonging to the Tablig organization and held them for one day without charges. They were severely beaten and then ordered to leave the oblast within one day.

The official Spiritual Administration of the Volga Muslims invited the group to visit Ulyanovsk from Samara, according to the administration's press service. They sought to instill tolerance among local Muslims, hoping to reduce the level of tension in society during the Muslim holy month of Ramadan. Passions were strong in the oblast following the 13 October assault on Nalchik, in which armed groups attacked law enforcement agencies in the republican capital of Kabardino-Balkaria. The authorities have blamed the attacks on "Islamic extremists" and members of radical youth groups.

Tablig represents one of the more tolerant and peaceful movements within Russian Islam. The group focuses on educational work and peaceful efforts to bring people back to what they consider the true values of Islam.

However, the Ulyanovsk police conducted a special crackdown when the Tablig representatives were located in the city mosque. Even though the Tablig representatives' documents were in order and they behaved correctly, the police took them to the Department for Combating Organized Crime (UBOP). Here the police interrogated them for a long time, insulting them and exerting moral and physical pressure, according to Islam.ru. At the train station, as the group members were seeking to fulfill UBOP's order to leave the region, a group of young people assaulted them.

Currently, the victims are in Saratov, where they hired a lawyer. The Spiritual Administration have appealed to President Vladimir Putin and several Russian human rights groups, asking for help in the case.

Unfortunately, this episode and other events in Russia provide little optimism for improving relations between Muslims and the ruling political elite. After the Nalchik attack, there has been a new wave of demonization of Muslims in Russia, accompanied by political provocations and pressure from the law enforcement agencies, including arrests, beatings, and torture. Expectations that political repressions will continue to escalate against "radical Islam" make further study of the Muslim situation in contemporary Russia extremely important. - Arbakhan Magomedov in Ulyanovsk

CENTER-PERIPHERY RELATIONS

PUTIN REPLACES KIRIENKO WITH PETERSBURG PROCURATOR. On 14 November President Vladimir Putin replaced Presidential Envoy to the Volga Federal District Sergei Kirienko with 37-year-old Aleksandr Konovalov, the former deputy procurator in St. Petersburg, who has recently been working as Bashkortostan's procurator.

Putin quickly appointed Kirienko as the director of the Federal Agency on Atomic Energy (Rosatom), a sign that he retained Putin's trust and was moving to an important new position. Kirienko had served as envoy since the post was created in 2000. Most likely, Putin replaced Kirienko because he had completed his mission: securing the further integration of Tatarstan and Bashkortostan into a unified legal and economic space in Russia. Most observers claim that Kirienko did a good job in bringing these national republics into a strengthening Russian state. However, after Putin announced in September that his main priorities were in the area of healthcare, education, affordable housing, and agriculture, the political importance of the federal okrugs dropped and there was no longer a clear role for Kirienko.

Konovalov's appointment in place of Kirienko was a major surprise. Many human rights defenders warned that his appointment could signal a downturn in the protection of human rights in the Volga. Analysts described the end of an era of relative liberalism under Kirienko and the strengthening of federal efforts to control the Volga. The Kremlin seems to be removing visible political leaders from the stage. Observers anticipate a major realignment of spheres of political and economic influence since many actors will now be deprived of their cover with Kirienko's departure.

Some observers argue that Konovalov's appointment means that the okrug's priority now will be fighting crime and preserving general order in the social and economic sphere. Others see the appointment of Konovalov as a political sign that the federal authorities are preparing to make him the governor of Bashkortostan. The

Bashkortostani authorities have energetically sought to rebuff that rumor. Still others point out that Konovalov's main job may be watching over newly appointed Nizhnii Novgorod Governor Valerii Shantsev, the former first deputy to Moscow Mayor Yurii Luzhkov.

Shortly before his appointment, Konovalov met with Putin to explain his activities as procurator in Bashkortostan. Most likely, that meeting is where Putin formed a favorable impression of Konovalov.

Konovalov's appointment shows that Putin is bringing new people forward who will clearly be loyal to him. Like Putin, Konovalov is a native Petersburger and also graduated from the law faculty of Petersburg State University. Working in the northern capital, he demanded the arrest of the scandal-prone Nenets Autonomous Okrug Governor Vladimir Butov, accused of beating a policeman. In January, Konovalov stopped the criminal investigation of Evroservis corporation President Konstantin Mirilashvili, accused of kidnapping and murder. This action characterized him as a man not afraid of taking responsibility. Konovalov is a strong supporter of the Orthodox Church and has good ties among law enforcement agencies at the top. He worked as a deputy to Russia's chief bailiff Nikolai Vinnichenko, when he was the Petersburg procurator.

As procurator in Bashkortostan, Konovalov proved to be an able administrator, replacing subordinates who were carrying out orders from the local authorities rather than enforcing federal law. He replaced eight procurators and managed to increase substantially the prestige of the office, which long had been under the control of local officials.

In Bashkortostan, Konovalov managed to establish himself as a procurator independent of the republican leadership. For example, he continued to contest the privatization of the republic's energy sector even after the republican authorities struck a deal with President Murtaza Rakhimov's son, who had gained control of the energy sector and then came into conflict with his father. Human rights activists described his role as "moderately positive" in investigating the Blagoveshchensk affair, in which police in that city beat hundreds of citizens in December 2004 (see RRR, 24 February 2005). Konovalov prosecuted some of the police in court, but criticized the victims and their lawyers who he felt overdramatized this case.

Konovalev was in the right place at the right time as Putin is building up his political team and purging out holdovers from the Yeltsin era. Konovalev fits into the new team since his personal credo is "law, order, and stability." Bashkortostan President Rakhimov likewise shares this credo, but from a different perspective. Konovalev will likely make many personnel changes, with liberals leaving the envoy's staff to be replaced by more state-oriented staff either from the Putin or Rakhimov team. In this sense, the ultimate appointment of Konovalev as president of Bashkortostan is not such a fantasy. - Igor Rabinovich in Ufa

ETHNIC VIOLENCE

ATTACKERS TARGET FOREIGN STUDENTS IN KURSK. There are no organized extremist or nationalist groups in Kursk Oblast, according to the local

procurator and police. However, there are some "unorganized" groups and they have targeted foreign students studying in the region.

Currently there are 1,500 foreign students in Kursk, with approximately 1,000 of them, representing 30 different countries, studying at the Kursk Medical University. The leadership of the university is doing everything possible to provide more security for the students, even instructing them what parts of the city are safe to visit and when they should be out. But the university officials cannot provide a 100 percent guarantee for their students. Many of the students now do not feel safe using public transportation, walking on the street, or even in their dormitories. The main threat comes from drunken teen-agers. This year there have been two attacks on students from India and Malaysia in the region.

The most recent attack was on 15 October. The victim was lucky because he was in good physical condition and a quick-acting group of student volunteers saved him from three assailants. All foreign students feel unsafe on Kursk streets, according to a poll published in the newspaper *Drug dlya druga* (26 October). Usually the attackers demand that the students give them their money and cell phones.

The police have increased patrols in areas where the students live and study, in an effort to provide more security. However, sometimes the students are afraid to contact the police after they have been attacked.

Medical University Rector Aleksei Lazarev has sought to bring the situation under control, according to a report in *Kurskskaya Pravda* (28 October). The students are vital to the university because they provide the possibility for further development, an increased material base, and larger salaries for the professors. If the students are afraid to study in Kursk, the university will quickly lose one of its key sources of income. The rector has created a voluntary force of 70 ethnic Russian students who provide constant patrols around the foreign student dormitories. The university also provides buses from the dormitories to classrooms and has purchased an expensive video security system. Additionally, Lazarev is planning to provide education programs for Kursk youth, lecturing high school classes about life in other countries so that the foreigners will not seem so strange to local youths and not provoke such aggression.

The students cannot protect themselves by purchasing tear gas weapons because Russian law only allows them to buy such weapons five days before they leave the country. Lazarov advises them that the best way to defend themselves is staying in good physical condition. - Sergei Sarychev in Kursk

POLITICAL OPPOSITION

ROSTOV UNITED CIVIL FRONT COORDINATOR ATTACKED. United Civil Front coordinator Roman Motunov was recently attacked in Rostov-na-Donu. The United Civil Front, led by former chess champion Garri Kasparov, seeks to bring together all opposition parties working against the Putin administration, hoping to block him from winning a third term or naming a successor in 2008. The Front works with all opposition parties, ranging from the Union of Right Forces to the National Bolshevik Party.

The Front's federal council in Moscow appointed Motunov as the coordinator for Rostov Oblast. Motunov's difficulties began almost immediately after he returned to Rostov with his new position.

In Rostov, the Ministry of Internal Affairs, and especially the Administration for Combating Organized Crime's department for counteracting political extremism, directly carries out repression of opposition political parties. In their understanding, anyone who speaks out against President Putin, the United Russia party, Governor Vladimir Chub, or Rostov Mayor Mikhail Chernyshev is a "political extremist." They are not interested in the actions of groups like the skinheads.

Thus, Motunov received an invitation to a cafe located near the main police building in Rostov Oblast. There two employees of the Administration for Combating Organized Crime, who did not hide their affiliation with this agency, but at the same time refused to show their documents, sought to intimidate Motunov, demanding that he give up his oppositional activities. Motunov refused. Motunov's car was burned that night and the fire department, summoned by the neighbors, only set to work in putting out the flames when there was nothing left to save. Following the blaze, Motunov was given a video recording of his burning car with another request to give up his work in the Front.

These events suggest how much the authorities fear a real opposition and that they are prepared to stop at nothing. The police have not opened a criminal investigation into the fire. - Aleksandr Krasnov in Rostov-na-Donu

CORRUPTION

OFFICIALS, ANALYSTS DENOUNCE EXTENT OF CORRUPTION. Organized crime has entered all corridors of power through corruption, Deputy Chairman of the State Duma Security Committee Viktor Ilyukhin told the General Procurator's analytic institute in a 6-7 October conference in Moscow. "Some times I have difficulty telling where the rightful authorities end and where the criminal elements that control these authorities begins," he complained. In particular, he stressed the high level of organized crime in Primorskii Krai, which he claimed is effectively in the hands of crime groups. He suggested studying the past and present of those currently in power in that Far Eastern region.

Ilyukhin also denounced the anti-corruption bill that has passed the first of three readings in the State Duma. He said that it was so "completely emasculated" that he was forced to take his name off of it. He warned that corruption has now attained "highly refined and stable forms" in Russia today.

In a subsequent presentation, President of the Russian Criminological Association A. Dolgova claimed that from 20 to 80 percent of the population was connected to organized crime, depending on the region. The highest concentrations of organized crime are in the southern and border regions with large shares of population that do not have official sources of income. Dolgova called for an overhaul of Russia's legislation dealing with organized crime, corruption, and terrorism. "Our legislation has been held hostage by our previous conceptions about crime as an isolated activity, which does not take into account the specific features of organized crime," she said. - Vitalii Nomokonov in Moscow

REGIONAL POLITICS

TENSIONS INCREASING BETWEEN VLADIVOSTOK'S DARKIN, NIKOLAEV. In Vladivostok, there is increasing tension between Primorskii Krai Governor Sergei Darkin and Vladivostok Mayor Vladimir Nikolaev. On 8 November, Nikolaev made a sharply critical speech expressing his unhappiness about the proposed krai budget for 2006 at a hearing of the krai legislature. With support from some krai legislators, city legislators, and some of the region's mayors, Nikolaev particularly criticized Darkin's proposal to introduce a new tax on municipal property.

The tax would primarily affect pre-schools, public schools, clinics, hospitals, and other municipal institutions that do not have their own sources of income. Nikolaev said that the tax would be an unacceptable burden for these institutions because they would not have the funds to pay it. He went further in suggesting that even the proposal to reduce the planned tax from 2.2 percent to 0.5 percent was insufficient because it did not abolish the idea of the tax altogether. The mayor pointed out that most Russian regions do not force healthcare, education, social, and housing institutions to pay taxes.

After more than a year in office, Nikolaev has failed to make much progress in fixing the deteriorating social and economic situation in Vladivostok. Most visibly, he has failed to upgrade local roads and public spaces. Perhaps, as a result, at the hearing he also criticized the system of distributing the transportation tax, which is supposed to be used for building and repairing local roads. The mayor suggested distributing this tax proportionally among the krai's cities according to the number of residents and number of cars registered. Under this system, Vladivostok would receive a much larger share of the tax income than it does now.

The mayor, once an ally of Governor Darkin, was also angered by the krai's proposal to cut financial aid to the region's municipalities next year from 32.8 percent to 28 percent. Nikolaev spoke for all municipal leaders in asking that the amount of aid in 2006 be maintained at the level of 2005.

Nikolaev's criticism of krai budget policies was not new or unexpected. The city дума, which Nikolaev controls, has long criticized krai tax policies, charging that the krai collects considerable sums in taxes from Vladivostok and returns only about one tenth in the form of subsidies. Tensions between Darkin and Nikolaev have been rising since May 2005, when Darkin refused to support annual budget payments of 300 million rubles to Vladivostok for serving as the capital of Primorskii Krai. At that time, Darkin promised the city one-time financial aid to support several communal programs, but even these promises remained unfulfilled.

Since failing to receive the political and financial support to carry out his ambitious plans from his former allies in the krai administration, Nikolaev has begun to build alliances with other mayors in Primorskii Krai. Additionally, he has begun to make more critical speeches, though currently limiting himself to attacking First Deputy Governor Aleksandr Kostenko, who is responsible for the budget, rather than going after the governor himself. Perhaps the mayor's position changed after Darkin announced that his current second term would be his last and with the approach of Krai Duma elections.

These recent events show that Nikolaev is increasingly finding himself in the same position as his predecessors mayors Viktor Cherepkov and Yurii Kopylov. The former mayors initially were friendly with the governor, but then came into bitter conflicts. These conflicts between the krai and city authorities sharply reduced the attractiveness of the Russian Far East for business. - Oleg Ssylka in Vladivostok

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About the Editors

Peter Reddaway is emeritus professor of political science at The George Washington University. **Robert W. Orttung** is an associate research professor at the Transnational Crime and Corruption Center of American University and a visiting scholar at the Center for Security Studies of the Swiss Federal Institute of Technology.

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and Lausanne (the EPFL) and four national research institutes. ETH Zurich itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research, and administration. ETH Zurich currently has 11,700 registered students.

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TECHNOLOGY EXPORTS

BASHKORTOSTAN SCIENTIST FIGHTS CHARGES. In October the Bashkortostan Supreme Court began to hear the case against physicist Oskar Kaibyshev, accused of exporting dual-use technology to South Korea. The local Federal Security Service (FSB) filed a case against him in March 2003 after a group of South Korean businessmen, representing the ASA company, were detained in the Ufa airport with a report of work done for them by Kaibyshev's Institute for Problems of Metals Superplasticity -- IPSM (<http://www.imsp.da.ru/>). Kaibyshev claims that the technology was intended for making auto parts, while the FSB charges that it could be used for military purposes.

The basis for the charges was the analysis of a former employee of the institute who read the report in the airport. He claimed that the report had information that had been classified by the government. Kaibyshev showed that the information had been published earlier and even patented. As a result, the FSB and procurator dropped charges

of revealing state secrets, but left in place accusations that Kaibyshev had exported military technology illegally.

During the course of the investigation, the procurator filed additional charges, accusing Kaibyshev of embezzling large sums of money. These charges drew on the fact that Kaibyshev's institute had transferred the money it received from ASA to the accounts of private firms, which quickly went out of business. The investigators claim that Kaibyshev and his colleagues made the transfers intentionally in order to enrich himself. Additionally, several firms which had contracts from IPSM did not report 3 million rubles they received to the tax service. Kaibyshev faces ten years in jail for these economic crimes, a sentence that is much longer than the possible incarceration for illegally exporting military technology.

Kaibyshev completely denies any wrongdoing on his part, saying that all agreements were fulfilled with the approval of the Ministry of Economic Development and Trade and under the supervision of the Russian special services. He claims that he was only involved in issues of fundamental science. He also claimed that his competitors were using the special services to take his plans.

Kaibyshev clearly did not expect to have to face such charges. However, since South Korea is classified as a country with nuclear weapons, Kaibyshev bears responsibility for exporting dual use technology there under current Russian law.

The scientist has sought to defend himself through a variety of methods. He has asked the Constitutional Court to examine the law on exports to determine if only the exporter can be held responsible or if the state agencies monitoring his work can also be held responsible. He said that the special services knew everything about what his institute was doing. However, they never warned him that anything was wrong. Additionally, he is trying to show that South Korea does not have nuclear arms and that the technology he exported does not have dual uses. The Russian Academy of Science and the Ministry of Economic Development and Trade reported that the technology involved was not dual use and ASA provided a letter saying that it was not using the technology for military purposes. However, the investigators worked on the basis of a report from the Salyut federal scientific production center, which claimed that the technology was dual use.

Kaibyshev's defenders say that he has become a victim of "spy mania" in Russia and have sought to move his trial from Bashkortostan to another region, fearing that he will be convicted regardless of his innocence if he goes on trial in Ufa. They quote the region's FSB chief, who publicly stated that Kaibyshev would be sentenced to ten years even before the trial started. Kaibyshev said that the procurator had offered him a deal that if he admits guilt in exporting dual-use technology, the procurator would drop the economic charges. Then procurator Aleksandr Konovalov pointed out that such deals are common practice (Konovalov has since been appointed presidential envoy for the Volga region, see RRR for 22 November 2005).

So far efforts to influence the investigation have not been successful. Clearly the special services believe that they are correct in going after Kaibyshev.

How effective have they been? If the goal was to block the export of dual-use technology, they have probably succeeded because all the media attention the case has received probably is forcing all Russian scientists to be more careful in their actions. Of course, these FSB actions may also encourage many of the scientists to emigrate from

Russia. The result then would be a flow of brains rather than dual-use technology. If it is simply a matter of the special services seeking to raise their influence, then Kaibyshev and Russian human rights defenders will score a moral victory. - Igor Rabinovich in Ufa

CIVIL SOCIETY

SAMARA RESIDENTS PROTEST CANCELLATION OF DIRECT MAYORAL ELECTIONS. Samara currently has two city charters, leading to a conflict that pits Mayor Georgii Limanskii and Governor Konstantin Titov against the city дума and the Kremlin. The old charter gave city residents the right to elect their mayor directly. The new charter, approved by the Justice Ministry on 18 October, revokes these direct elections. Instead, the deputies of the city дума would have the right to elect the mayor from among their members. On 25 October, more than 20,000 people joined a protest rally in the city center denouncing the new charter and calling for the restoration of the right to elect their mayor directly. With the next mayoral elections set for June 2006, the mayor is acting in line with the old charter and the city дума is operating under the new charter, creating extensive confusion.

Mayor Limanskii, who has long been in conflict with the city дума, strongly objects to the new charter. His supporters have gathered more than 350,000 signatures for an appeal to the Supreme Court seeking the restoration of the direct elections. Limanskii is purposefully rallying the population against the new charter as a way of hanging on to his own political power, according to Political Scientist Yevgenii Molevich. Governor Titov has backed Limanskii on this issue and has promised to secure the revision of the new charter. Local social organizations are planning to hold a series of protests in December to support the old charter and their right to elect their mayor directly.

The Kremlin, however, has made clear that it supports the new charter and is happy to revoke the direct elections. The pro-Kremlin United Russia party coordinator for the Volga region, Viktor Grishin, backed the new charter in October. Titov is also a member of the United Russia party, but has clearly broken ranks with the party on this issue. Samara Oblast Federation Council member Andrei Ishchuk, in a meeting with Titov, warned that his support of the old charter and Mayor Limanskii could complicate Titov's relations with President Putin, who recently appointed him to another term as governor. Ishchuk believes that deputy speaker of the city дума Andrei Il'in would be the best candidate for mayor in next years competition.

While popular opinion in Samara strongly supports direct mayoral elections, there is discontent with the current mayor and his administration. On 12 November, more than 3,000 city dormitory residents protested in front of the governor's office seeking Titov's protection from rapacious bureaucrats working in the mayor's office. Residents of city dormitories, among the city's poorest inhabitants, charge that officials in the mayor's office are demanding bribes for allowing them to privatize their residences, which is their right under federal and oblast law. Samara has 73 municipal dormitories that house more than 100,000 people. Fighting such corruption is extremely difficult and only seven cases were proven in the last six months, according to Nikolai Gavrilov, president of the Samara Law Center. Samara residents have now created an Association of Dormitory Residents, which boasts more than 20,000 members. They are planning to sue the mayor's office to secure simplified privatization procedures. - Sergei Khazov in Samara

RELIGIOUS FREEDOM

KURSK OFFICIALS REJECT STATE DEPARTMENT CRITICISM OF MISSIONARY RESTRICTIONS. In its Annual Report to Congress on International Religious Freedom, the US State Department criticized Smolensk, Kursk and Belgorod oblasts for violating the right to religious freedom by limiting the activities of missionaries in their regions (<http://www.state.gov/g/drl/rls/irf/2005/51576.htm>). Kursk adopted its anti-missionary law in 2004, basing its text on a law adopted in Belgorod in 2001.

The head of the Kursk Oblast Department for Religious and Nationalities Affairs Aleksandr Shapovalov responded to the State Department report by arguing that the law was necessary because some people who have no connection to religious organizations often present themselves as such and then abuse the trust of their victims to carry out all sorts of crimes (<http://vrn.kp.ru/daily/Kursk/doc91316>). The law also blocks unregistered religious organizations that do not have the right to conduct missionary work from engaging in such activities.

Critics of the regional law point out that article 28 of the Russian constitution gives each Russian citizen the right to hold and spread religious views. Such critics say that forcing missionaries to have documents proving that they represent an official religion in effect limits their freedom of religion. Defenders of the regional laws respond that religious organizations in Russia are legal entities and according to article 55 of the Civil Code, each representative of an organization must have proof that he is what he claims to be.

When the Belgorod law was adopted in 2001, the Belgorod procurator filed a protest, asking the court to declare key parts of the regional law in violation of federal law. However, on 3 December 2001, the collegium of the Russian Supreme Court rejected the procurator's protest and upheld the law. Since the Kursk law is identical to the Belgorod law, Kursk officials believe that it is in conformity with federal legislation.

In Kursk Oblast, the anti-missionary law has not been used against representatives of registered religions, such as Baptists and Catholics, who are actively involved in missionary work. However, the law is used systematically against representatives of unregistered religions. In the most recent case, the police took action against Jehovah's Witnesses organizing in the oblast. They also take action against supporters of Hare Krishna, Scientology, Reverend Moon and others considered to be "totalitarian sects."

Representatives of the Russian Orthodox Church, who have a strong interest in keeping out missionaries from other religions, support the regional laws and the Kursk authorities. They have set up their own missionary services, actively participating in radio and television programs, publishing newspapers, and sponsoring religious courses. Now almost all local schools teach a course on Orthodox culture. While the course is not mandatory, students have difficulty not attending. And, although its content is supposed to be secular, priests lead part of the instruction with missionary goals. - Sergei Sarychev in Kursk

RADICAL NETWORKS

NOVOSIBIRSK FSB ARRESTS TWO UZBEKS. On 22 November, the Novosibirsk Federal Security Service (FSB) arrested two citizens of Uzbekistan, whose home government is seeking them on charges of terrorism. The FSB arrested the brothers Abdukadir and Abdukosir Askarov as they checked the documents of foreign workers in the area. Human rights defenders immediately sought to prevent Russia from extraditing the brothers to their homeland.

The two brothers allegedly belong to Akramiya, a banned Islamist organization in Uzbekistan. In May 2005, the brothers were involved in the Andijan events, after which they were placed on an international wanted list for terrorism, attempting to overthrow the constitutional government, murder, and belonging to an extremist organization. At Andijan, a crowd of 2,000 people seized control of the local prison demanding the release of 23 men accused of being members of Akramiya. In response, the Uzbek authorities shot hundreds of protesters to gain control of the city. The number of deaths is still disputed. Akramiya is a splinter group of Hizb ut-Tahrir (HT), which in contrast to HT advocates the use of violence, according to Wikipedia.

One of the brothers was among the men freed from the prison. After his release, he alleged participated in the assault on a republican administration building, the local police, and Uzbekistan National Security Service. After the uprising, the brothers managed to flee from Uzbekistan to Novosibirsk.

Several days ago, the Novosibirsk law enforcement agencies apprehended the brothers by chance when they were conducting operations against illegal workers. In that action, the police arrested a brigade of 90 Uzbek workers building a multi-story building in Akademgorodok. The authorities arrested ten additional Uzbeks in two apartments in Novosibirsk and found the brothers among them.

The police transferred the brothers to the counter-intelligence service. The authorities are currently considering whether to extradite the two back to Uzbekistan.

At the same time, Svetlana Gannushkina, chairwoman of the Moscow-based human rights committee Grazhdanskoe sodeistvie and a member of President Putin's council on civil society, sent an appeal to Russian General Procurator Vladimir Ustinov demanding that the brothers face trial in Russia rather than Uzbekistan. She argued that the recent trial in Tashkent against 15 accused of participating in the Andijan events showed that Uzbekistan lacked a legal investigative process and independent courts.

Thanks to its relative stability, Siberia has long been considered a place where Muslims accused of terrorism can hide from the authorities disguised as peaceful migrants. Since the beginning of November, four participants in the 13 October attack on Nalchik were detained in the region, two in Omsk and two in Chita Oblast, where they were visiting relatives. At the beginning of the year, a fighter from Chechnya was detained in Altai Krai. - Dmitrii Vinogradov in Novosibirsk

HUMAN RIGHTS

MARIJ EL GROUP PROTESTS VIOLATIONS BY PROCURATOR'S OFFICE.

The Marij El organization Man and Law recently sent a report summarizing violations by the police in using force against the population and legal violations by members of the republican and Yashkar-Ola procuracy to the United Nations Committee against Torture. The procurator is supposed to monitor and prosecute police transgressions and its failure

to carry out this function makes it difficult for citizens to defend themselves from police abuses. The group has also sent a summary of their findings to the Marii El procurator.

In extensive detail, the rights defenders list examples when local courts found that the procurator did not carry out complete investigations and made decisions that were not based on the law. The activists point out that the procuracy employees themselves rarely reveal cases of police torture. Their investigations are often superficial and formal.

Man and Law leader Sergei Poduzov explained his group's actions, pointing out that the republic's top procurator should have accurate information about the violation of human rights by his employees. If the employees are not prepared to provide such information, the human rights group will. Moreover, Poduzov warned that if the procurator does not address the violations, he will have to answer to the international community. Not doing so would reduce popular trust in the procuracy, Poduzov warned. Man and Law argues that the republican procurator should provide an explanation to the rights defenders of how he follows up on their report. - Man and Law in Yoshkar-Ola

LOCAL ELECTIONS

AUTHORITIES DOMINATE KOMI ELECTIONS. Like many other regions, the republic of Komi went ahead with its local elections on 16 October even though the federal government has postponed the transfer of powers to these new local structures from the beginning of 2006 to 2009 (on overall local election reform, see RRR 18 October). The federal authorities are the main force driving, and slowing, the creation of the local governments and the Komi authorities are mainly acting at their direction. Presidential Envoy to the Northwest Ilya Klebanov told the governors in his district that they were responsible for quickly setting up the local government institutions and a positive outcome in the elections.

Although the Komi authorities energetically prosecuted the campaign, the elections were generally quiet and aroused little popular interest. The republican media sought to invigorate the elections in part because the governor wanted to please the Kremlin before he faces reappointment in December. The authorities were particularly concerned because the elections failed in neighboring Nenets Autonomous Okrug due to low turnout.

Just over 30 percent of the electorate participated in the elections. The voting took place in the republic's newly created 191 municipalities and voters filled 1,619 of 1,660 vacant positions. On average, there were 2.3 contenders for each spot. The pro-Kremlin United Russia had the greatest success, electing 538 of its 677 candidates. Rodina elected 43 of its 83, while 12 Communists won seats. The greens also won a few seats as did a Memorial activist who won a seat in the village of Palevitsa.

In many parts of the republic, turnout was well under 25 percent, so there are clear signs that there is little popular support for the new institutions. Moreover, the federal government has not prepared legislation providing for the financing of the new institutions or how they will divide property between the federal, regional, and local levels. Both the federal and regional governments are concentrating as much control over finances in their own hands as they can. In Komi, the republican government already controls 70 percent of the public money flows in the region. The republic's mayors are unhappy that they are dependent on the republican authorities for their funding and have

little autonomy for taking initiative or working independently. New laws on natural resources and forests also go far in transferring money from the local to higher levels.

Some analysts argue that the new local governments will have a strong interest in developing a strong tax base drawing on a vibrant small business sector. But federal law is also destroying this possibility. The new law on alcohol sales, which forbids individual dealers from working in this market, will have the effect of putting many rural stores out of business because these stores frequently survived on the profits they received from alcoholic beverages. The federal government is currently seeking to exert control over alcohol sales.

The local elections were the first step in a major new social project for which the federal and regional authorities are not prepared. The authorities need to define the distribution of property between the different levels of government and secure a stable base of income for local government. This effort should be the core of a major administrative reform in the country. If this transition does not take place, the idea of local government will long be discredited in Russia. - Yuri Shabaev in Syktyvkar

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GOVERNORS AND CENTER-PERIPHERY RELATIONS

PRESIDENT REAPPOINTS KOMI LEADER. The deputies of the Komi legislature unanimously approved President Putin's appointment of incumbent Vladimir Torlopov as the republic's leader on 7 December in an open vote. Putin appointed Torlopov at the recommendation of his envoy in the Northwest Ilya Klebanov. Torlopov will now remain in the position for another four years. The session only lasted 20 minutes, a local record.

One might think that suddenly an unprecedented unity appeared in the parliament. But the same unity has appeared in many other local parliaments that must now vote for their governors at the president's recommendation. None of the deputies want to oppose the popular and influential president. At least, for the time being. Nevertheless, the external appearance of unity hides other feelings. After the session, several of the deputies expressed doubt about the expediency of appointing the governor and the effectiveness of the current procedure for choosing regional leaders. Moreover, they expressed hope that the very unity that appears when regional parliaments vote on the president's candidates will serve as a signal to the federal authorities that the situation is artificial. Likewise, several local media criticized the procedure of choosing the governor and the process in which the regional legislature must approve the president's decision (*Molodezh severa*, 8 December).

Many of the deputies expressed the hope that since they had voted for the governor, he would do more to take their opinions into account. More likely, though, is that Torlopov will strengthen his efforts to form his own lobby in the parliament. Such a group currently exists, but it was not very stable and has not had decisive influence in the body. Now the situation may change and not only because Torlopov has dramatically strengthened his position within the republic.

On 28 November the former speaker of the republican legislature Ivan Kulakov unexpectedly passed away. Kulakov was an experienced and reasonably independent politician and, under his leadership, the parliament began gaining some independence as well. Most likely, the new speaker will be Aleksei Beznosikov, who is a strong Torlopov supporter.

One of the main consequences of the new political situation in Komi will be the further alienation of the public from the political process. Feelings that public sentiment matters little could lead to more protest votes in 2007 and hurt the showing of the pro-Kremlin United Russia. In the October 2005 local elections, the party won only 11 percent of the vote.

Many of the republic's problems went unresolved as republican political leaders waged a major political struggle on the eve of Putin's appointment of the new governor. Among other issues, the region's agriculture is in chronic crisis; many northern residents should be moved to more hospitable southern climates to improve the social situation in the republic; and there are few resources to establish effective local government. Now, with a newly empowered leader, is the time to address the accumulated problems. However, once the authorities again demonstrate that they are ineffective, the political battle will start again. - Yuri Shabaev in Syktyvkar

BASHKORTOSTAN PRESIDENT DEPENDS ON TIES TO ADMINISTRATION.

With the new federal law that gives the political party that wins regional legislative elections the right to nominate a candidate for governor, the United Russia party has become much more powerful since it has a majority in many regional legislatures. For Bashkortostan President Murtaza Rakhimov, used to ruling his republic on his own, the change creates a substantially new situation. He has already paid a high price trying to strengthen his authority at the highest levels of the federal government. He has transferred to Gazprom the large oil and gas combine Salavatnefteorgsintez, made Bashkortostan oil stocks available to well-endowed federal investors, and allowed the Moscow-based Sistema company to purchase a blocking stake in the Bashkortostan energy sector.

Rakhimov also owes his success for staying in office to his ability to develop good relations with former Kremlin Chief of Staff Dmitri Medvedev, who has close ties to Putin. Rakhimov particularly benefited from a change in the balance of power among Kremlin clans, connected with the weakening of the position of deputy chief of staff Igor Sechin, who supports the big Russian companies that are trying to take ownership of the Bashkortostani oil refineries, and the strengthening of Medvedev, who chairs the board of Gazprom.

This internal Kremlin situation helped partly overcome the negative image Rakhimov has suffered from due to recent scandals. These problems include: the failure of Bashkortostani oil enterprises controlled by his son to pay taxes; the claims of the

Accounting Chamber that the privatization of these enterprises was illegal; the December 2004 police brutality in the city of Blagoveshchensk; and the multi-thousand opposition demonstrations in the capital city of Ufa. Against this background, rumors that Putin would appoint Rakhimov to another term have started circulating. However, after Putin's surprise appointment of Medvedev to the government last month, Rakhimov could lose his strong position in the Kremlin administration. In this case, the backing of United Russia could prove decisive. Rakhimov can probably count on the support of Moscow Mayor Yuriy Luzhkov, whose position strengthened after the announcement that United Russia would likely support him for a new term as mayor in 2007.

However Rakhimov faces many challenges. While he had good relations with the influential United Russia general council secretary, Valerii Bogomolov, this post is now occupied by Vyacheslav Volodin, whose relations with Rakhimov are cool. Rakhimov decided to skip the United Russia congress in Krasnoyarsk on 26 November, preferring instead to take a trip to Austria and the Czech Republic. Some observers suggested that Rakhimov was insulted when the United Russia leadership under Boris Gryzlov, who helped his political enemies in the 2003 elections, did not find a place for him on the plane that took the party bosses from Moscow to Krasnoyarsk.

Rakhimov also has poor relations with Tatarstan President Mintimer Shaimiev, who is his main competitor for the subsidies distributed by the federal government. Recently, Rakhimov has criticized the Tatarstani leadership for the enormous amount of money spent on the 1000 year celebration of Kazan, which brought no substantial benefit to the republic's population. Simultaneously, politicians close to Shaimiev criticize the Bashkortostani authorities for discriminating against the Tatar language, spoken by more than one third of Bashkortostan's population, and support the activities of Tatar groups working in opposition to Rakhimov. During the Bashkortostani elections, Shaimiev pushed Rakhimov to make Tatar one of the republic's state languages, equal to Bashkir, promising his support in return, but Rakhimov refused, after which their relations suffered considerably. - Igor Rabinovich in Ufa

CANDIDATES LINE UP FOR KAMCHATKA GOVERNORSHIP. On 23 October, the same day that voters in Kamchatka Oblast and the Koryak Autonomous Okrug approved a referendum to unite their two regions into one new territory to be called Kamchatka Krai and to be established in 2007, residents of the capital city Petropavlosk-Kamchatskii also indicated their preferences for who the new governor of the new region should be. More than half of the population took part in the referendum and more than 90 percent voted in favor of uniting the two regions.

While clearly the two current regions will be merged, the question of the new leadership remains open. In the non-binding poll, incumbent governor Mikhail Mashkovtsev won a majority, with 19 percent of the vote. Trailing him was Koryak Governor Oleg Kozhemyako with 17.8 percent and Yust-Kamchatka Raion leader Boris Nevzorov, with 3.1 percent.

"Mashkovtsev is formally the leader, but to get a full picture of the situation in the region, one should compare the results of the October 2005 referendum with the outcome of the gubernatorial elections held in December 2004," Vladimir Efimov, a critic of Mashkovtsev and the owner of the TVK-press media group told the Moscow-based ANN information agency. In the oblast's capital, the incumbent governor won 45.38 percent of

the vote in the gubernatorial elections, but took only 19 percent in the referendum. "He lost more than half of his support in the course of a year. For Mashkovtsev, this is a grave indicator."

In the referendum, Mashkovtsev beat Kozhemyako by just 765 votes. In contrast to Mashkovtsev, Kozhemyako's star is on the rise. In the December 2004 gubernatorial elections, he won 11.99 percent in the capital city, but took 17.8 percent in the referendum. Even though Kozhemyako is currently the governor of a neighboring region, his popularity is growing among the residents of Kamchatka.

While not everyone one supports him, Kozhemyako is young, energetic, and charismatic, in contrast to many members of the current establishment. The presidential envoy in the Far East is seriously considering him as the next governor.

Former Far East envoy Konstantin Pulikovskii claimed that he would take the public's opinion into account in naming the next governor. However, Pulikovskii had also argued that the best candidate for the post would be the Moscow oligarch Viktor Vekselberg, who has business interests in Kamchatka. Magnate Roman Abramovich has spent a considerable amount of his money in Chukotka, where he is governor.

The situation is becoming more critical because the opposition to Mashkovtsev in Kamchatka and Koshemyako and his allies in the Koryak okrug fear that they will not benefit from the long process of establishing the krai and the appointment of a new governor. They worry that the current Kamchatka leadership will do little to assure the social and economic development of the oblast, allowing the situation to deteriorate into chaos. Accordingly, the Kremlin might speed up the process of merging the two regions by a year, according to the Moscow-based Political Journal.

Putin's newly appointed envoy in the Far East, former Kazan Mayor Kamil Iskhakov, is energetically carrying out the president's orders. "While Putin is in power, the federal center will only strengthen its power over the regions," according to Efrmov. The pro-Kremlin political party United Russia will play a critical role in this process. Kozhemyako was recently appointed the secretary of the political council of the party's Koryak branch. This appointment should substantially increase his chances of eventually becoming governor of the new merged region. - Oleg Ssilka in Vladivostok

REGIONAL ELECTIONS

SCANDALS MAR NOVOSIBIRSK OBLAST COUNCIL ELECTIONS. A divided pro-Kremlin United Russia won the largest number of seats in the 11 December elections to the Novosibirsk Oblast Council. Of the 98 seats in the oblast legislature, United Russia won 34, the Communist Party took 20, the Agrarian Party, 14, and Vladimir Zhirinovskiy's Liberal Democratic Party of Russia (LDPR), 8. Independents won 22 seats, though many of them are now likely to join one of the victorious parties, most likely United Russia.

The elections were held under Russia's new electoral system for regional legislative elections, in which half of the seats are elected by party list and half from single-member districts. Parties must win at least 7 percent of the vote to enter the legislature. Only four parties crossed the 7 percent barrier: United Russia (33.12%); Communists (21.65%); Agrarians (13.47%); and LDPR (9.71%). Rodina won only 6.88 percent and the Union of Right Forces, 2.65, while 8.7 percent voted "against all."

Twelve of the 37 incumbents lost their reelection bids, though 5 may yet return on the party lists.

Several scandals marred the campaign. Businessman Igor Sergeev, running against Deputy Governor Aleksei Bepalikov, was beaten, as was Communist candidate and television journalist Andrei Zhirnov, whose assailants cut his face with a razor and tattooed four-letter words there with a special machine.

The main political scandal was the authorities' refusal to register the Pensioners' Party for the race. The party's documents were signed by State Duma Deputy Valerii Gartung, but since he lost his party post recently, the party's participation was annulled. The party's local leader Aleksandr Tarkov claims that his party was not allowed to participate because the local authorities were following Kremlin orders to disqualify it. The party has performed well in other regional elections lately.

Presidential Envoy to Siberia Anatolii Kvashnin, according to unnamed sources, apparently discussed the situation around the party with party sponsor businessman Viktor Lituev, allegedly advising him to end his support for the party. Lituev subsequently announced that he was "leaving politics" and then the party's participation in the elections was cancelled.

Two weeks before the election, Kvashnin gave a speech to a closed meeting of press secretaries for Siberian regional administrations in which he sharply criticized Novosibirsk Governor Viktor Tolokonskii, accusing his administration of running up a large debt, trying to place Deputy Governor Bepalikov in the legislature, and allowing Bepalikov to earn considerable personal wealth that obviously did not come from his official position.

Thanks to the efforts of United Russia political consultants, information about the meeting appeared in the press. As a result, both Kvashnin and Tolokonskii had to make several public statements claiming that their relations were free of conflict. Local observers suggested that the Kremlin is planning to replace Tolokonskii with a more loyal governor. The Communists claimed that the new governor would likely be one of United Russia's top leaders, the famous wrestler Aleksandr Karelin, who is from Novosibirsk.

The first step in this process was supposed to be United Russia's victory in the legislative elections. According to a new Russian law, the victorious party in the election can propose a gubernatorial candidate for presidential appointment. However, the wing of United Russia that seeks to replace Tolokonskii did not get a majority in the new legislature, according to independent political scientist Aleksei Mazur. Tolokonskii has supporters among the United Russia winners, so there are clear divisions within United Russia.

One of the elections' surprises was the strong performance by the Agrarian Party. Most likely, the party's voters were lodging a protest and would have backed the Pensioners' Party if that party had been allowed to participate, according to Novosibirsk ROMIR General Director Aleksandr Bayanov. LDPR leader Viktor Starkov suggests that the difficult rural conditions stimulated the success of the agrarians, a position backed by Communist analysts as well.

Now the various parties will seek to appoint their candidate as speaker. United Russia will likely back the leader of its faction in the last legislature Ivan Moroz, campaign manager Viktor Ignatov, or one of the prominent individuals on its list, such as

West Siberian Railroad chief Aleksandr Tselko, Novosibirskenergo General Director Kornei Gibert, or current deputy speaker Anatolii Ivanenko. The governor's administration will likely back Bepalikov. The left-wing opposition parties will likely back a compromise candidate like Biktov Leonov, since he is on the United Russia party list, loyal to the current governor's administration, and known as a master of compromise. - Dmitrii Vinogradov in Novosibirsk

BELGOROD'S SAVCHENKO BEATS LDPR AND LUZHKOVA. Belgorod governor Yevgenii Savchenko and the pro-Kremlin United Russia party won a resounding victory in the region's 16 October legislative elections. As in other regions, half of the 34 seats were chosen on the basis of party lists and half through single mandate districts. United Russia won 11 of the 17 party list seats and 9 of the 17 seats in the districts, giving it 20 of the total 34 seats, or almost 59 percent. In the 8 districts where United Russia did not run candidates, the winners were the heads of large enterprises who generally support the Belgorod authorities and are likely to vote with the United Russia majority. The outcome was one of the biggest victories for United Russia at the regional level.

Three other parties also crossed the 7 percent barrier: the Communists, Liberal Democratic Party of Russia, and Rodina, winning 4, 2, and 1 seat respectively. However, they will have little influence in the new legislature.

One of the main reasons for United Russia's success was its ability to put together a strong group of candidates for the party list. Governor Savchenko stood at the top of the list. Following him were popular figures such as local Sberbank director Vladimir Gerasimenko, volleyball coach Gennadii Shipulin, trade union leader Nikolai Shatolov, Belgorodenergo general director Viktor Filatov, and the chief director of the region's drama theater Vitalii Slobodchuk. Belgorod's stable industrial and agricultural growth also contributed to the victory.

Much of the campaign focused on the battle between Governor Savchenko and Inteko, the company owned by Yelena Baturina, the wife of Moscow Mayor Yuri Luzhkov, who is also one of the leaders of United Russia. In the campaign Inteko was aligned with the LDPR. The conflict began in 2004, when Savchenko began to push Inteko out of the region. Then Deputy Governor Oleg Polukhin charged that Inteko was not effectively utilizing the 67,000 hectares of land that it had purchased in the region. The conflict intensified when Inteko decided to back the opposition LDPR in the legislative elections. The campaign turned into a battle between Savchenko and United Russia against Baturina and the LDPR. Vladimir Zhirinovskiy traveled to the region so many times that many locals began to think that he had taken up residence there.

Overall, the local elite was able to beat back an effort by Moscow elites to move into the region. The intense conflict, waged across the pages of the regional media, led to a high turnout of 58 percent and as much as 90 percent in some rural areas. After the results were clear, presidential envoy to the Central Federal District Grigori Poltavchenko congratulated the governor with giving United Russia its best performance yet. - Sergei Sarychev in Belgorod

POLITICAL OPPOSITION

NASHI ACTIVISTS HARASS KASYANOV IN KURSK. Former Prime Minister Mikhail Kasyanov, currently touring the country giving speeches critical of the Putin administration, visited Kursk on 10 December, hoping to meet with some of the 13,000 local members of the Democratic Party of Russia (DPR), of which he plans to become president at the 17 December party congress.

Apparently, the local authorities were well prepared to disrupt Kasyanov's trip. Kursk DPR leader Sergei Vasilev, a member of the oblast дума, complained that the oblast leadership was intentionally sabotaging the visit by preventing all of the local concert halls from allowing Kasyanov to speak on their premises. Accordingly, Kasyanov was forced to appear in oblast's House of Knowledge, which is controlled by the federal organization rather than the regional authorities.

Members of the Kremlin-inspired Nashi youth group have waged war with Kasyanov in many regions. In Kursk, about 200 group members encircled the hall where the former prime minister spoke. They held up slogans such as "Misha 2% - Go to America" and "2% -- Is that the national idea?" Kasyanov has the nickname "Misha 2%" because he allegedly used to take a 2 percent cut for contracts that he approved. The Nashi activists twice tried to storm the building, but luckily no one was hurt. After two hours, the young people left in buses and the police came to set up a cordon around the building.

Apparently, Nashi's actions so scared Kasyanov, that he changed his plans for his visit to the city. He came very late to the event in the House of Knowledge and delivered only a 10-minute speech. The next day he held a press conference in the hotel, calling Nashi an extremist organization that violates citizens' constitutional rights. He placed political responsibility on "those leaders who publicly support this organization," apparently meaning the Kremlin, and announced that he would not stop traveling in the Russian regions because of this pressure. - Sergei Sarychev in Kursk

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List of Contributors

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LAW ENFORCEMENT AND SOCIETY

PROCURATOR HOLDS TYUMEN POLITICAL CONSULTANT FOR 10 DAYS.

Director of the Institute for Regional Strategy Aleksandr Bezdlov was arrested at the end of November in Tyumen and then transported to Nizhnevartovsk by the staff of that city's procurator's office. Witnesses described the arrest more as an abduction: unidentified people forced Bezdlov to sit in a car and took him off to an unknown location. It only became clear that he had been arrested two days later.

Bezdlov's friends and local informal organizations monitored the situation and distributed information about it in a special blog on the livejournal.com web site (http://www.livejournal.com/users/bezdelov_free/). This site has become increasingly popular as a place to share information about current events in Russia. The site has more than 250,000 users in Russia and its discussions are entering the regular media, with recent mentions in publications like *Moscow News* and *Ogonek*.

Observers connect the arrest to the upcoming elections to the Khanty-Mansii Okrug Duma. The Nizhnevartovsk city court authorized the arrest of Bezdlov because he was accused of slander in a case brought by Slavtek head Aleksandr Peterman. Peterman accused Bezdlov of participating in the appearance of a series of newspaper articles which accused Peterman, who is also a deputy in the Nizhnevartovsk Duma, of

abusing his office, falsifying documents, and the attempted murder of another member of the Nizhnevartovsk Duma.

Initially, Bezdelov was sought as a witness, but then became a suspect. Since he does not have a residence in Nizhnevartovsk and the authorities claimed that they could not find him in Tyumen, they put him on the wanted list. However, this information only became known two days after his arrest. Until he turned up in the Nizhnevartovsk detention center, the local media reported about his mysterious disappearance. According to his lawyer, Bezdelov had no idea that he was being sought by the authorities prior to his arrest. The lawyer also claimed that the initial arrest was not carried out legally. When Bezdelov was brought before the court and the accusations were read out, he was told that he would remain in custody.

Only 10 days after his arrest, in the beginning of December, was Bezdelov released. The investigator in the case said that Bezdelov was set free as long as he agreed not to flee, Bezdelov told <http://www.uralpolit.ru>, explaining that he did not know the reason for the change in his situation. Bezdelov had minimal contact with the investigator while he was under arrest and was held in a transit cell, along with 12-20 other inmates.

Later it became clear that Bezdelov was released at the personal demand of Deputy General Procurator for the Urals Federal District Yuri Zolotov, who found out about Bezdelov's arrest from media reports. Deputy Duma Speaker Sergei Baburin and Russian Journalist Union General Secretary Igor Yakovenko also intervened in the case.

After his release, Bezdelov refused to answer the investigator's questions, citing his right not to provide evidence against himself. After this, the investigator canceled all further investigatory activities. Bezdelov's case will go to court on 21 December. - Elena Arbatskaya in Tyumen

POLITICAL PROCESSES IN THE REGIONS

SUPPORT FOR NATIONAL BOLSHEVIKS HURTS ROSTOV GOVERNOR.

Four members of Eduard Limonov's National Bolshevik Party handcuffed themselves to the entrance of the building housing the offices of Presidential Envoy to Southern Russia Dmitrii Kozak in Rostov-na-Donu on 8 December, according to the party's web site (nbp-info.ru/archive/131204/081205_sv.html). The party has been banned by Russia's Supreme Court. The group was led by Nikolai Getmantsev, who ran for mayor in the oblast's city of Gukovo in the 4 December elections.

The National Bolsheviks help up slogans such as "Freedom to Political Prisoners," "Down with the Police State," and "Freedom to the National Bolsheviks, Freedom to Russia." The police ultimately removed the handcuffs and took the four to the police station. On the day of the protest, a Moscow court announced sentences for 39 members of the party who had been on trial for previous protest actions, freeing 31 of them while giving jail time to 8.

The Russian authorities are worried that the relatively peaceful protests by the National Bolshevik Party will turn into acts of terrorism. Two party members in Novosibirsk are currently on trial for allegedly storing weapons and preparing such acts.

However, in Rostov Oblast, official relations to the party are more complicated. Getmantsev was the only National Bolshevik in Russia registered by an electoral

commission on the basis of signatures that he collected. His registration was apparently possible thanks to the intervention of the oblast authorities.

During the Gukovo mayoral campaign, it was clear that incumbent Mayor Viktor Shubin was in trouble because there was a strong protest vote. His allies thought it best to try to carve off some of that protest vote to a candidate that had no chance of actually winning, thereby dividing the opposition to Shubin and allowing him to emerge victorious. Ultimately Shubin won the election with 31.61 percent of the vote. His closest competitor, Aleksandr Chumakov, a manager at Glukovugol, won 27.91 percent, according to the web page of the Rostov electoral commission. The site did not list results for Getmantsev (<http://www.rostov.izbirkom.ru/>) accessed 16 December 2005). The web page of the Federal Electoral Commission did not have any results for the Gukovo mayoral election on 16 December.

The National Bolsheviks apparently agreed to participate in this political game in order to gain some access to television broadcast time and create a party organization in Gukovo. The party organizers achieved their goals, but the authorities got into hot water for allowing events to unfold in this manner. The presidential envoy's office warned the Rostov authorities that such political games with a banned party were unacceptable. - Aleksandr Krasnov in Rostov-na-Donu

POLITICAL ORGANIZATIONS

KREMLIN BACKS NEW GROUP IN FAR EAST. After Kremlin Deputy Chief of Staff Vladislav Surkov visited the Far East in November, a new social movement called "Our Country" appeared there. Surkov's visit to the region was not widely covered in the press. Observers of politics in the Far East suggest that this new Kremlin project could serve as a possible replacement for the United Russia party, which is in serious trouble in the Far East thanks to its bureaucratism and lack of political initiative.

The leader of the movement is Nikolai Sidorov, who is an advisor to Primorskii Krai governor Sergei Darkhin and is considered one of the most influential men in the krai administration after the governor. Four years ago, working with the Moscow publicity firm Image-contact, he helped bring the previously unknown Darkin to power in the krai.

At a press conference in Vladivostok, Sidorov announced that Our Country already had more than 18,000 members from 15 cities in the Far East, ranging from Vladivostok to Magadan and Yakutsk. He claimed that the organization was set up at the initiative of residents of Primorskii Krai and that so far the group was only working in the Far East. The goal of the organization is to teach the voters how to make choices, starting with the region's youth. "I am a professional political consultant. In my experience, I have gained the impression that people in Russia do not know how to choose. The ability to make a choice is one of the most important parts of civil society," Sidorov said.

Answering questions about the financing of the new organization, Sidorov said that Our Country is a non-profit organization which would be financed by the voluntary contributions of private individuals. Among the sponsors are the Association of Fish Industry Enterprises in Primorskii Krai headed by businessman Dmitrii Glotov. Glotov worked as a key assistant to current Vladivostok Mayor Vladimir Nikolaev, when Nikolaev headed one of the region's largest fishing firms, TURNIF. Sidorov also claimed

that the new organization had the support of the regional administrations in Primorski Krai and Sakhalin. - Oleg Ssylka in Vladivostok

CRIME SITUATION

ADYGEYA SUFFERS FROM EXTENSIVE SMUGGLING, ECONOMIC CRIME.

The numerous economic crimes committed in Adygeya every year make civilized development extremely difficult in this North Caucasus republic with a population of 450,000. The most recent examples include news of large contraband shipments flowing through the republic's customs service; extensive violations in the distribution of state funds through agriculture credits; and abuses of public funds by Adygeya's representation in Moscow.

The authorities filed a criminal case dealing with the contraband issue in the summer, but the press has published little information about it. In August, Russia's Channel One broke through the republic's information blockade. The national television network claimed that planes had brought contraband material from Turkey, Italy, the United Arab Emirates, Lebanon, and Egypt into Adygeya's airport. Sometimes four planes would land in the course of one day.

The Adygeya contraband channel is unprecedented, according to P. Zaitsev, an investigator for especially important cases at the Russian Ministry of Internal Affairs. "It is scary to imagine that for several years planes filled with goods sent by Arabs landed at a Russian military base. They could bring in anything without any kind of control," he told the TV station. Most of the shipments were organized by the international tourist firms Dzhavad and Igab, according to A. Vorobev, the head of the MVD's department of economic security. Both firms are controlled by citizens of Arab countries and the suspects include residents of Palestine and Lebanon.

The goods shipped in through Adygeya were distributed throughout all of Russia. The operations took place only 400 km from Chechnya.

Zaitsev pointed out that "without serious protection by state officials at various levels, such a massive channel of contraband goods could not have existed for long."

The history of Adygeya's "black hole" in the border dates back to 1996, when the government decided to designate one of the runways at the military airport near Maikop for both civilian and military use. The Adygeya government planned to create an international airport at the site and one of the runways began to accept foreign chartered flights. However, the goods imported were not inspected, allowing extensive violations of customs procedures, according to Zaitsev. In August, the newspaper *Zakubane* asked "Did the authorities not know what was happening with the region's customs control?"

There have also been major problems in the way the authorities hand out agricultural credits. Agricultural workers took credits in 2004 from the republican budget, which they were supposed to return in spring and summer of 2005. However, they did not pay back the money. The debts were supposed to be guaranteed by the raion governments, but forcing them to pay would bankrupt them and make it impossible for them to carry out their functions.

According to an investigation by the republic's accounting and monitoring chamber and the procurator's office, the republican budget spent more than \$1 million on the credits. The investigation found that the money was handed out without any analysis

of whether the recipients could pay it back. Now it is impossible to get the money back. Since the budget lost this money, the republic had no funds to support social programs for combating tuberculosis, cancer, and AIDS.

Rashid Makhosh, chairman of the republic's accounting and monitoring chamber, also charged the republic's representation in Moscow of misusing \$130,000 between 2001 and 2004. The representative office, located in downtown Moscow, rented out parts of its facilities to five different tenants. However, the income from these agreements never made it into the representation's budget. The chamber could not find 4 of the 5 renters since they were not at the addresses listed in their contracts. The representation also created an enterprise called Luch for various business projects. This enterprise apparently cost the republican budget \$140,000.

In the opinion of most observers and residents, these cases are only the tip of the iceberg regarding theft of the republic's public funds. Most likely, the extent of the problem is much greater. - Oleg Tsvetkov in Maikop

MEDIA ISSUES

KOMMERSANT ISSUE REMOVED IN SAMARA. On 13 December, the day that the Samara legislature chose its new representative in the Federation Council, the issue of the Samara edition of the Kommersant newspaper did not appear in most newsstands. The legislature chose former oblast minister of transportation Aleksei Ushamirskii as its representative to the upper chamber of the federal parliament. Though he had served in Governor Konstantin Titov's cabinet, he had not been Titov's choice for the position. Titov had backed Aleksandr Mileev, the general director of the vodka distillery Rodnik. Sixteen of the deputies voted for Ushamirskii, while only 8 voted for Mileev.

Ushamirskii, who is a member of the presidium of the Samara branch of the pro-Kremlin United Russia party, had the backing of the national party. On 7 December the party leadership sent a letter to the Samara chapter backing his candidacy. "The command from above was implemented," according to Sergei Sychev, the deputy governor who is the secretary of the regional United Russia political council.

During the night before the vote, 1,643 copies of the Kommersant in Samara paper were taken from the Samara Press House, where the newspaper is published. The reason this issue of the paper was controversial was a paid advertisement under the headline "Elections of a Senator: United Russia Strikes a Blow," according to editor-in-chief of the Kommersant Publishing House Vladislav Borodulin. The material described the context of the election of the new senator and alleged that "several financial-industrial groups" in Samara decided to lobby the election as senator of United Russia representative Ushamirskii. The material suggested that the financial-industrial groups would then seek to replace the Samara leadership of the United Russia party and then "strike a blow against Samara Governor Konstantin Titov."

On the evening of 12 December, two unknown men offered Kommersant employees money to drop the material about the election. The paper rejected this offer. Then at 2:40 in the morning of 13 December two men asked that they be allowed to enter the building containing the printing press. When the guard refused to let them in, they asked to see the person in charge of publishing the paper. They offered to buy the entire print run for cash. The head of the shift explained that many issues of the paper had

already been sent to distributors, including the firm "Mail Coach," which then sends them to newsstands. They offered to buy the remaining papers. Ultimately, they were allowed in the printing press and called Elena Tikhomirova, the head of Mail Coach. She sold them the remaining papers. The two men handed over 17,000 rubles as payment for the 1,643 papers and left. On 13 December, Kommersant was essentially not available in Samara, appearing only in Ulyanovsk. Kommersant editor-in-chief Borodulin said that the paper was going to investigate the incident and had already filed a complaint with the law enforcement authorities. The printing house subsequently apologized for allowing the men to take the paper's print run, arguing that such an incident was unprecedented and the employees did not know how to respond.

Aleksandr Lashmankin, an expert at the Samara Social-Political Center said that the events were carried out by "the financial-political groups that support Ushamirskii." Lyudmila Kuzmina, chairperson of the human rights organization Voice agreed. She argued that today "people whose biographies are tied to corrupt and openly criminalized structures are entering politics." - Sergei Khazov in Samara

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THE DYNAMICS OF RUSSIAN POLITICS: PUTIN'S REFORM OF FEDERAL-REGIONAL RELATIONS, VOLUME 2, edited by Peter Reddaway and Robert Ortung

Who rules Russia? This question is generated by President Vladimir Putin's most ambitious reform program to date - his attempt since 2000 to reshape the Russian federation, centralize much of the power lost by the Kremlin to the eighty-nine regional governors during the 1990s, and strengthen his weak grip on Russia's institutions and political elite.

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than is widely believed in the West while offering detailed and nuanced answers to the difficult but crucial question: Who rules Russia?

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American University and the Transnational Crime and Corruption Center

In a letter to Virginia Governor Robert Brooke, George Washington explained his idea for a great "national university" to be established in the nation's capital city. Washington did not see this university in his lifetime, but approximately one hundred years later, in 1893, Washington's dream was realized when American University (AU) was chartered by an Act of the United States Congress. Through the vision of Methodist Bishop John Fletcher Hurst, the idea of a national university, an idea born with the nation itself, came into being. Today AU is an independent university with more than 11,000 students from all 50 states and nearly 150 foreign countries enrolled in undergraduate, master's, doctoral, and professional degree programs.

The Transnational Crime and Corruption Center (TraCCC) is the first center in the United States devoted to teaching, research, training, and policy advice in transnational crime, corruption and terrorism. Originally founded in 1995 with seed money from the MacArthur Foundation and funded by the United States Government and private foundations, TraCCC's basic goal is to better understand the causes and scope of

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The Swiss Federal Institute of Technology Zurich (ETH Zürich, according to its German acronym) was founded by the Swiss government in 1854 as a polytechnic and opened its doors in Zurich in 1855. Until 1969 it was the only national university in Switzerland. Today it is part of the ETH domain, which is made up of the two universities in Zurich and Lausanne (the EPFL) and four national research institutes. ETH Zurich itself comprises 83 institutes and laboratories, 330 professorships, and about 840 lecturers who fulfill teaching obligations and conduct research. A staff of more than 7,500 - 25 percent of whom are women - work in teaching, research, and administration. ETH Zurich currently has 11,700 registered students.

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COMMENTS AND QUESTIONS

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SEEKING INNOVATION

RUSSIA CREATES SIX NEW SPECIAL ECONOMIC ZONES. On 28 November the Russian Ministry of Economic Development announced that it would set up six new special economic zones in regions across the country. The federal government chose to place two of the zones in Moscow Oblast (Zelenograd and Dubna), and one each in St. Petersburg, Tomsk, Lipetsk and Tatarstan. The ministry received 30 proposals and had initially said that it would create up to 10 zones. However, the level of the proposals was low and the ministry only chose to establish six zones (<http://www.russoft.org/docs/?doc=1046>).

President Vladimir Putin originally announced plans to hold the competition in Novosibirsk at the beginning of 2005, stating that he intended to set up the zones and information technology parks. Skeptics quickly pointed out that in the middle of the 1990s Russia had created a series of such zones with tax benefits for firms working in them. However, those zones quickly turned into "black holes" into which tax payments disappeared. Regions like Kalmykia and Ingushetia developed reputations as places for avoiding taxes and laundering money and the zones attracted a large network of crime to the areas. In Siberia, the Altai Republic and Evenkia established zones, which also suffered from abuses.

Now, the state authorities claim that they will monitor activities in the zones much more carefully than they did in the 1990s. The zones theoretically should also be much more transparent for auditing agencies and society in general. The overall concept of the zones differs from what existed in the 1990s. First, the zones' tax benefits will be limited to the space in office buildings in which the new companies will be located (earlier the zones applied to entire regions). Accordingly, the zone initiators see the zones as

incubators for new enterprises. Additionally, technical park zones will be focused on companies that deal exclusively with information technology. These companies will continue to receive benefits over their entire lifespan, but they must continue to work in the IT field and cannot change their profile.

Putin apparently decided to establish such zones in Russia after seeing successful examples during visits to China and India. Novosibirsk officials say that Putin was so impressed with the rapid development of high technology in these areas that he immediately ordered the preparation of such zones in Russia.

Critics of the new economic zones, however, fear that they will be no more successful in 2005 than they were in the middle of the 1990s. During a recent visit to Tomsk, former acting Prime Minister Yegor Gaidar, an economist, argued that such zones could only be successful in a strict authoritarian regime with a strong secret police or in a developed democratic society, with powerful democratic institutions, a free press, and an independent judicial system. He charged that the zones would not be effective no matter where they were established in Siberia because they would simply turn into off-shore zones for firms seeking to avoid tax payments. He suggested that a better policy would be to implement a unified system for the entire country.

Tomsk, the site of one of the new zones, had a strong interest in the competition: "Tomsk lost serious economic and tax potential as a result of the Yukos affair. [Yukos had one of its key oil refineries there.] Investment in the region dropped to a tenth of its previous level and therefore the government was interested in finding a stimulus to develop this city," Novosibirsk governor Viktor Tolokonskii told the RRR.

The Tomsk project will include three buildings with more than 143,000 square meters of space, sitting on a 197 hectare plot in the region's Akademgorodok. By 2010, the annual turnover in the zone is expected to reach 13 billion rubles. Construction of the first building should begin in 2006. The federal government will pay 1.2 billion rubles for the new construction; the oblast will pay 350 million rubles, and the city will pay 50 million rubles. The World Bank will help finance infrastructure for new innovative management and venture capital services in the zone.

Novosibirsk will compete in the next round of competition for creating the zones in two or three years. Additionally, the region plans to set up its own technology park at a cost of 15 billion rubles. The oblast plans to cover 15 percent of these costs from its budget, while relying on an additional 15 percent from the federal government and the remaining 70 percent from private investors. - Dmitrii Vinogradov in Novosibirsk

ISLAM AND THE STATE

NIZHNI MUSLIMS PROTEST RUSSIAN SYMBOLS, ORTHODOX CHURCH STATEMENTS. In the beginning of December, several Muslim leaders in Nizhnii Novgorod joined federal Muslim leaders who pointed out that it did not make sense for a secular state like Russia to have an official state coat of arms that included Christian symbols, such as a cross and image of St. George slaying a dragon. Damir Mukhetdinov, the chairman of the Spiritual Administration of Muslims of Nizhnii Novgorod Oblast (DUMNO), said that he "completely agreed with the Muslims, citizens of Russia, who were insulted by the presence of Christian symbols on the coat of arms of a secular state."

Many Muslims also felt insulted by the way in which in the new 4 November holiday, Day of National Unity, was celebrated in Moscow. "We could never imagine that the symbol of this holiday in Russia would be an Orthodox column and the icon of the Kazan Mother of God. All of this violates the principles of a secular government and does not serve the unity of the peoples of Russia."

The Muslim statements, in turn, drew a sharp reaction from several Nizhnii politicians and representatives of the oblast's Orthodox church. Chairman of the Nizhnii Novgorod Oblast Legislative Assembly Committee on Local Government and State Power and Dzerzhinsk Mayor Vitkor Portnov called the initiative of the Muslim leaders and the subsequent support of DUMNO unacceptable interference in political processes, which he suggested was possibly inspired by "the special services of states unfriendly to Russia." Moreover, he suggested that if religious leaders were getting involved in politics, it was time for the procurator to take action.

Representatives of the Orthodox church accused DUMNO of destabilizing religious and inter-ethnic relations. The Nizhnii Novgorod eparchy expressed serious concerns about the statements and called on "all healthy forces in society to counter the efforts to weaken the stable political and religious situation in the region."

DUMNO responded with an announcement published on the "Islam in Nizhnii Novgorod" web site, calling the attacks groundless (<http://www.islamnn.ru/modules.php?name=News&file=article&sid=768>). Since the Muslims claimed that the eparchy had accused them of enflaming ethnic and religious differences, a crime under Russian law, DUMNO officials wanted to know which of their specific activities were considered criminal, pointing out that the courts would have to make such a determination. Likewise, the Muslims charged that the statements of the church representatives themselves threatened to violate the law and destabilize religious and ethnic relations in the region. Neither the federal authorities in Nizhnii, nor representatives of the governor's office expressed an opinion about the situation.

This exchange shows that there are problems in the relations between Russian Muslims and the Orthodox Church and the authorities. Nevertheless, traditional Islam is thriving in Russia: the number of believers is growing, new mosques and learning centers are being built and opening all the time; and increasing numbers of people have the opportunity to make hajj. Now, in Nizhnii Novgorod Oblast, there are 54 mosques, including four in the city of Nizhnii Novgorod itself. Islam is reasserting itself after decades of Soviet repression during which the majority of mosques were closed, thousands of mullahs were killed or imprisoned, and the religious education system was destroyed. However, in the post-Soviet period, new challenges have emerged to which the Muslims have not developed an adequate response.

Islam in the central part of Russia, the Volga, and the Urals is developing now thanks to significant financial aid from abroad. This money is paying for mosques, opening schools and other educational institutions, and paying for trips and education in foreign Islamic centers. This aid has become an important factor in the development and functioning of Islam and local Muslim leaders need to take this factor into account. The foreign-trained younger generation frequently does not see eye-to-eye with the traditional Muslim leaders, who often have made an accommodation with the Russian authorities. As a result, these leaders must find a way to maneuver between the foreign sponsors and the Russian authorities.

Another factor influencing the development of Islam is migration processes. Many Muslim migrants come from the Muslim regions of southern Russia and from the former Soviet republics, areas that have become zones of instability and centers of extremism. The large flows of migrants has meant that mosques often have stopped conducting services in Tatar language and have switched to Russian so that the proceedings are comprehensible to the new arrivals. Older members of the mosque do not always welcome this change. In the future, the migrants could open new mosques, which might complicate relations within the Muslim community.

Traditional Islam now must counter a variety of extremist currents. Such extremists take people away from traditional Islam's congregation and create a negative image for all Islam, particularly when the wider population begins to consider all Muslims terrorists and extremists. In November 2005, a Nizhnii court sentenced members of the banned organization Hizb ut-Tahrir. Although there were no local residents among those on trial -- the leader of the group was a Palestinian who had recruited residents of Dagestan to his cause -- local Muslims, and particularly youth, are being brought into these circles. Local priests cannot counter this invasion either organizationally or ideologically through traditional worship.

At the same time, as the federal government strengthens its position in Russia, politicians frequently use the Orthodox church for their purposes. Despite Russia's assertions that it is a secular state, Muslims perceive an increasing clerical influence on social life. In the schools, efforts are being made to introduce a course on the Fundamentals of Religion, which on closer examination looks like a lesson in Orthodoxy. State television broadcasts church services with the participation of the country's top leadership. Orthodox holidays have now become state holidays.

Muslims take a negative view of the policy of uniting the authorities and Orthodoxy, which they believe gives their religion the role of a junior partner. Today the interests of believers and society demand the development of new approaches in the relations between the authorities and religions: politicians and religious leaders must both make changes to address the situation. - Rustam Bikmetov in Nizhnii Novgorod

AGRICULTURE

CRIMINALIZATION THREATENS RUSSIAN GRAIN MARKET. Russia's grain market is one of the most criminalized and corrupt segments of the Russian economy. This problem is particularly apparent in the southern part of the country, including Krasnodar Krai.

Here conditions for growing grain are extremely good and the region borders on the Caucasus, which is a large consumer of grain. In the Russian regions of the North Caucasus and in neighboring Georgia, Armenia, and Azerbaijan, climatic conditions do not permit local farmers to grow enough grain to feed their populations. Moreover, the ports of Krasnodar Krai, and particularly Novorossiisk, make possible quick and cheap transportation of grain to the markets of the Middle East, North Africa, and Europe.

As a result, there has long been a black market for grain. This shadow economy is fed by the organizational and structured peculiarities of large-scale collective farms, including their complicated accounting systems and lack of mechanisms for holding farm managers accountable.

All these conditions create rich soil for corruption, which is such a widespread phenomenon that its mechanisms are known to all. Usually, the farm directors reduce the amount of grain that they report to the stockholders or reduce the official price paid for this grain, receiving the difference between the official and actual prices in cash. Both state fiscal bodies and owners of small shares in the collective farms are the victims in these transactions. Of course, the illegal presence of large shipments of grain would be impossible without a wide circle of participants, including bureaucrats at all levels, and employees in transportation and trading companies.

Russia's farm sector today is divided into two major sections: the large collective farms and individual farmers. Today's collective farms are a legacy of the Soviet past and enjoy all the elements of state support from that era. Most subsidies from regional budgets go into these farms. When regional authorities buy grain from farmers to boost prices, they generally buy it from the large collective farms, artificially supporting the most inefficient producers. The individual farmers, whose work is much more productive, are deprived of such support. At a public rally of farmers protesting regional agricultural policy in the fall, Petr Shcherbak, chairman of the Association of Farmers in the Eisk Raion of Krasnodar Krai, claimed that state bureaucrats were stealing public money behind the facade of state farm supports. "Intermediaries work to reduce prices, with the support of the bureaucrats, because the bureaucrats can then buy grain at reduced prices and then claim to have intervened in the market to support prices. The public funds that represent the difference in prices remains in the bureaucrats' pockets," Shcherbak charged.

In the fall protest, the farmers complained about the regional government's policies. In 2004, it was possible to sell a ton of wheat for 4,000 rubles. This year, the price was just 2,500 rubles. Many of the farmers believe that grain processors are making profits upwards of 500 percent on their grain. While grain prices are dropping, farmers face higher prices for petroleum products, fertilizer, and farm equipment. According to official statistics, almost 300 of the 820 large agricultural enterprises in Krasnodar Krai are bankrupt.

In the fall, farmers sought to dramatize their situation by carrying a casket labeled "Bread -- Our Hope" through the northern part of Krasnodar Krai and planned to send it to Moscow. However, the casket never went to Moscow because the krai authorities, sensing how this protest would resonate with the population, took measures to mitigate the conflict. At the request of the krai authorities, the procurator began to study the accusations of the farmers against the bureaucrats who organized the grain purchases. A commission under the leadership of Deputy Governor for agricultural issues Nikolai Dyachenko arrived on the scene and promised to take all possible measures so that private farmers could participate in the price support program. In exchange, the protesters agreed to end their public demonstrations. Moreover, instead of burning their grain, they gave it to local residents, which gained them even more attention than the planned bonfire. In making the concessions, the authorities sought to localize the protests and prevent them from spreading to neighboring areas, where the protests undoubtedly would have been popular. - Sergei Danilchenko in Krasnodar

FOREIGN POLICY

RUSSIA SEEKS GREATER INDEPENDENCE IN FOREIGN POLICY. A key goal in Russian foreign policy now is to decrease the country's dependence on energy transit countries. Until now, Russia has depended on countries like Ukraine, Poland, Latvia, and Belarus to send its oil and gas to the west. Russia is now building a gas pipeline directly to Germany across the Baltic sea to avoid transit countries. Additionally, it is pursuing a similar policy in the south, seeking the construction of a pipeline from Burgas, Bulgaria, to Aleksandrupolis, Greece, giving it an alternative to sending oil through Turkey and Ukraine. With the construction of this pipeline, Russia could send oil in tankers from Krasnodar Krai ports to Bulgaria and then ship it through the pipeline on to western Europe. Ultimately, the route could handle up to 50 million tons a year. Turkey currently does not allow Russia to transport more than 80 million tons a year, citing the heavy traffic in the Bosphorus. Sending oil and gas through Ukraine also presents a range of problems for Russian companies, particularly since the deterioration in relations between the two countries after the Orange Revolution.

The possibility of this southern project has increased the interest of Russian oil companies in other projects in the area since it makes sense to seek oil in places near easy means of transportation. Companies like LUKoil are particularly interested in projects in the Azov and Black seas. In 2003, LUKoil, Rosneft, and the Krasnodar Krai administration formed the company Priazovneft to develop potential projects in the Azov sea. Even the fact that the deposits are located in a federally protected ecological zone has not hindered plans. As the construction of the Tolyattiazot terminal and the Krasnaya Polyana resort show, ecological interests usually are subordinated to economic interests when the two come into conflict. The expansion of the energy companies in the Azov sea allowed Krasnodar to increase oil and gas production 30 percent in 2004, but this expansion came at a high cost to the local environment. In 2004, one of the wells being exploited by a Gazprom subsidiary caught on fire and sent tens of thousands of tons of sulfurous gas into the air, polluting the land and water within a radius of dozens of kilometers. Official losses were set at 50 million rubles, but this sum only included temporary aid to residents of local villages and compensation for their lost crops. It did not count the enormous damage to local wildlife.

Even bigger projects are planned for the Black Sea. In 2002 Rosneft signed an agreement to work with the French-Belgian TotalFinaElf on the shelf near the cities of Tuapse and Gelendzhik. Local oil workers call the area an "underwater Siberia." However, beyond having to overcome problems associated with drilling in deep water, the oil companies will face opposition from the local "resort lobby," which fears that oil spills could ruin their beaches and drive away tourists. Resorts working on the Black Sea bring in as much money as the oil companies. Lukoil has also run into opposition from Georgia, when it proposed drilling off the coast of the separatist Abkhazia. The Georgian authorities said that they would never give Abkhazia the right to drill for oil in the Black Sea. - Sergei Danilchenko in Krasnodar

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HUMAN RIGHTS

AUTHORITIES CRACK DOWN ON ACTIVISTS IN BLAGOVESHCHENSK.

The famous human rights defenders Lyudmila Alekseeva of the Moscow Helsinki Group and Lev Ponomarev, leader of For Human Rights, visited the Bashkortostani city of Blagoveshchensk on 10 December. By a terrible irony, one year ago, on this International Human Rights Day in 2004, the law enforcement agencies carried out a special operation of a type that previously had only occurred in the North Caucasus (see RRR, 24 February 2005). In the course of this operation, the police grabbed people on the street and in public places, like cafes and discos, and took them to a special filtration center, where they were photographed and processed. During these procedures, the police, usually wearing masks so that they could not be identified, humiliated numerous victims. The police beat the citizens who tried to protect their dignity and many were severely injured. Later the court determined that about 1,000 individuals had passed through the filtration points and, of these, 347 citizens had suffered from illegal police actions.

Human rights organizations and relatives of the victims sought to draw the attention of the federal authorities to the lawless activities of the police and their use of humiliation and torture against their own citizens. However, it took the work of Russian human rights defenders to get the incident into the national media, forcing federal officials to pay attention. Ultimately, Ella Pamfilova, the head of President Putin's commission for relations with civil society, came to Blagoveshchensk and, after personally meeting with some of the victims, publicly condemned the actions of the police. She blamed the incident on the authorities in Bashkortostan who give political cover to illegal actions of their law enforcement agencies. Russian Ombudsman Vladimir

Lukin also called for Putin's immediate intervention into the events, noting that the beatings reflected the catastrophic situation with human rights in Bashkortostan.

Initially, the Bashkortostani authorities denied that there had been a massive violation of human rights in the region. However, when it was no longer possible to ignore the uproar in the national media, the republican authorities began to justify the actions of the police, saying that the officers acted correctly because it was necessary to stop a crime wave that was allegedly afflicting the city. The authorities argued that nothing important had happened: The police had simply done their job, and the human rights defenders, sponsored by the west, were working in alliance with the political opponents of Bashkortostan President Murtaza Rakhimov to intentionally undermine the authority of Bashkortostan with the goal of discrediting its leadership. The local media, controlled by the republican authorities, backed this version of events. The republican authorities also sought to convince the federal authorities that their version of the events was the correct one, sending their analysis to the Russian Ministry of Internal Affairs, both chambers of the national parliament, and President Putin.

This strategy was partially successful for the republican authorities as the federal government remained silent for many months, avoiding any reaction to the events. However, in an effort to calm the passions in the media and quiet the human rights community, Putin ordered the Russian general procurator to begin an investigation of the events in Blagoveshchensk. He sent a new procurator to Blagoveshchensk since the previous procurator and his subordinates had worked closely with the police, refusing to accept complaints from the victims and then announcing that no one had attempted to complain.

In the improving conditions following the beginning of the procurator's investigation, the human rights activists continued to play a key role in the defending the rights of the citizens of Blagoveshchensk. They convinced the victims to file complaints with the procurator about the police actions, despite the pressure from local authorities, who used threats in an effort to prevent those affected from speaking up. Some of the victims gave into the pressure, but others went ahead with their complaints. Moreover, they took the events beyond the borders of Blagoveshchensk and presented their evidence at press conferences in Moscow especially organized by the human rights organizations. These events particularly angered the republican authorities, who charged that the human rights groups were trying to destabilize the situation. As a result, they began to view the human rights groups as inveterate enemies. When Alexeeva and Ponomarev tried to meet with victims in Blagoveshchensk on 10 December, the local authorities organized obstacles that forced them to leave the city. The victims who had come to meet with the activists did nothing to counter the official pressure since they were cowed by the local authorities and the police, according to the human rights defenders. Many of them simply are no longer interested in fighting for their rights. Under pressure from the authorities, many signed statements withdrawing their previous claims. Additionally, the republican authorities sought to discredit the human rights activists in the local media, suggesting that they are agents of Russia's enemies. The authorities allege that they have been set up in their actions by oligarch Boris Berezovsky, now living in London. The republican authorities even found one former associate of Ponomarev who confirmed this story. He claimed that the human rights activists had paid the residents of Blagoveshchensk who

agreed to file reports and demanded the money back from those who withdrew their claims.

Characteristically, several of the central media have joined forces with the republican authorities' campaign. In particular, Russia's Channel One has broadcast reports about the connection supposedly linking the human rights organizations defending the rights of the residents of Blagoveshchensk with Berezovsky, also arguing that they are promoting their political agenda by taking advantage of the unfortunate victims of this incident. The human rights activists point out that no one from the leadership of the Russian or Bashkortostani police has been punished for the events of December 2004. The recent efforts of the federal authorities to impose greater control over non-governmental organizations (NGOs), including human rights organizations, shows that they are trying to crack down on them in conditions of increasing authoritarianism. Once the new NGO laws are in place, including restrictions on western financing, the authorities may seek to show that the human rights groups working in Blagoveshchensk have foreign funding. - Igor Rabinovich in Ufa

BUDGET ISSUES

KOMI ADOPTS DEFICIT 2006 BUDGET; LITTLE FOR LOCAL GOVERNMENT, DEVELOPMENT. On 22 December, the Komi legislature adopted the republican budget for 2006. Komi leader Vladimir Torlopov, who recently received Putin's blessing to stay in the post, needed to show that he was actively dealing with the republic's problems and therefore all of the media proclaimed that the republic had adopted a "socially-oriented" budget, though in fact the budget does little to address problems facing the republic. Many of the legislators also had a strong interest in adopting the budget since they are competing to replace the recently deceased parliamentary speaker. The position is currently vacant.

The 2006 budget anticipates revenues of 20.0 billion rubles and expenditures of 21.5 billion rubles, with a sizeable 1.5 billion ruble deficit (*Respublika*, 23 December). The budget planners hope to sell bonds to cover the debt. However, the republic's debts are nearly as large as its annual budget and further increases of the debt without obvious sources of new income, due to the slow economic growth in Komi, will lead to serious financial problems in the future.

Currently, all local governments in Komi receive subsidies from the republican budget, according to republican Finance Minister A. Zakharov. This situation is not surprising since the republican legislators decided to concentrate 70 percent of the republic's funds into the republican budget two years ago, handing the republican authorities the ability to decide how to distribute the funds. As a result, the municipalities fell into complete financial and political dependence on the republican authorities. At the same time, the republic sends 65 percent of its tax income to the federal government, so the republican government is now holding the local governments on a tighter leash than the federal government is using on it. The nearly 200 new municipalities created this year have no budgetary support. Therefore the 2006 budget established three funds to support the municipalities. The money in these funds will be distributed competitively based on detailed and well-defended business plans. However, developing such plans requires specialists and money. Therefore only a few of the wealthier municipalities will have the

resources to compete for these funds. Accordingly, the same municipalities that always receive such funds will continue to do so, leading to an increasing divide between the haves and have-nots. Most likely, the extent of municipal unhappiness with the republican authorities will continue to grow, leading to increased political tensions in the republic.

The authors of the 2006 budget declared that it was "socially-oriented" because 60 percent of Komi's expenditures will cover the salaries of public-sector employees. However, Social Chamber chairperson Olga Savastyanova argues that the amount of money spent on such salaries is not an indicator of how socially responsible the budget is and points out that, in fact, funding for many social programs has been cut (*Molodezh severa*, 22 December). Moreover, there are not sufficient funds for healthcare, the development of which President Putin declared was one of four national projects in September, nor is there enough money for addressing poverty and unemployment -- in Komi, the number of people below the official poverty line is 19.3 percent, slightly worse than the 18.9 percent figure for Russia as a whole.

Other critics point out that the republican government again has not adopted a budget aimed at developing the region. There are significantly fewer funds set aside for investment in this budget than there were in the 2005 budget. Only outlays for road construction increased. Moreover, only three companies today are investing in developing Komi's industry: Severstal, which is modernizing Vorkuta's coal mines; SUAL, which continues to invest in the development of local bauxite mines and processing; and Mondi Business Paper, which dominates harvesting and processing in the forestry sector. The entire economy of the republic is becoming increasingly dependent on the investments of these three corporations. The other major corporate investor, LUKoil, is moving much of its activity to the neighboring Nenets Autonomous Okrug.

This one-sided and unbalanced budget reflects the republic's current economic weakness. It was no surprise that the journal *Ekspert* (21-27 November) did not include Komi in its list of regional leaders, or even improving regions, in its annual rankings of the regions. The budget also reflects the republic's ineffective political leadership: rather than pointing to the likely future development of the republic's potential, the budget highlights potential challenges for the authorities in the near term economic and financial situation. - Yuri Shabaev in Syktyvkar

IMMIGRATION

BELGOROD ATTRACTS NEW MIGRANTS. During the first half of 2005, Belgorod Oblast led the Central Black Earth region in terms of new immigrants. The number of people coming to Belgorod was eight times greater than flows coming into Voronezh and Lipetsk oblasts. During the same period, Kursk and Tambov oblasts registered population drops, according to the Belmedia news agency (<http://www.belmedia.ru/newspage/id/4512.html>). The Belgorod Security Council has discussed the problems rising from the new migrants.

The type of migration affecting Belgorod has evolved in recent years and now consists mainly of labor migrants, according to the deputy head of the region's branch of the Ministry of Internal Affairs Sergei Nerubenko (<http://beladm.bel.ru/news.shtml?id=8125>). As a result of current migration processes,

twice as many people came to Belgorod as left during the first half of 2005. Arrivals in Belgorod typically come from the Far Eastern, Siberian, the Northwestern, and the Urals federal districts. These areas contributed 72.8 percent of the overall number of migrants. About 60 percent of the migrants settled in the urban areas of Belgorod Oblast.

Foreign migrants made up 52.9 percent of the total, with 56 percent of these coming from the Commonwealth of Independent States (CIS) and the Baltics. Typically, the immigrants came from Kazakhstan, Ukraine, Uzbekistan, and Kyrgyzstan.

During the first six months of 2005, the migration department of the oblast's branch of the Ministry of Internal Affairs handed out 1,840 work permits and 162 Belgorod enterprises received permission to hire foreign workers. Most of the workers came from Ukraine (72%); Moldova (15.5%); and Uzbekistan (9.5%). The large, and quickly growing, share of Ukrainian workers is a result of the poor economic policies of the new Ukrainian authorities and Belgorod's location on the border, according to local analysts.

A much larger number of foreigners are living and working in the oblast than these numbers suggest. During the first half of the year, 4,526 foreigners were cited for violating Russia's visa regulations. The court ordered that 207 foreigners be deported in the first half of 2005. The deportation figures for all of 2004 were 183 and 148 for 2003. Overall the successful economic situation and geographic location of Belgorod makes it a magnet for Russian and foreign migrants. - Sergei Sarychev in Kursk

NATIONALITIES IN RUSSIA

FINNO-UGRICS CONCERNED ABOUT THEIR CULTURE. After a summer of activities in defense of their culture, the Finn-Ugric peoples of Russia remain concerned about the fate of their cultures. An article in the 20 December issue of the Economist brought further attention to these issues. In Russia, the Komi, Mari, Udmurts, and Mordovins belong to this group.

The tenth International Congress of Finno-Ugric scholars took place in the Marii El capital of Yoshkar-Ole in August with representatives of 17 countries. The event was surrounded by scandal.

The Russian authorities have long accused the leaders of the Baltic countries of abusing the rights of Russian speakers there. Now Estonia has raised the same kind of accusations against Russia, claiming that it does not respect the rights of Finno-Ugric language speakers living on its territory. Two weeks before the congress, members of the Estonian Art Academy came to Marii El and made a film about the daily life of its residents. The Marii El authorities claimed that the Estonians had come to film abandoned rural houses, drunken citizens, and the answers of local officials to provocative questions. The residents of Mordovia were lucky that the Estonian documentary makers decided to visit Marii El. If they had come to Mordovia, they would have learned that rural residents often are given vodka as payment for their salaries and that rural doctors and teachers have to tend cattle herds to receive their salary. Such revelations could have led to additional scandals.

During the summer, activists from the group Marii Ushem held public demonstrations in Marii El seeking to defend their culture, again raising the ire of the authorities. The events in Marii El, sparked similar protests in Mordovia. Mordva is the

generally recognized name for a Finno-Ugoric nation uniting two ethnic groups: the Erzyan and the Mokshan. In August, Fund to Save the Erzyan Language leader Gennadii Musalev issued a statement in which he accused the leaders of Mordova of using the republican media that they control to spread false information that Finno-Ugric cultures and languages are currently well off. He claims, in contrast, that during the last ten years, the number of Erzya and Moksha population has shrunk by 300,000, or approximately 25 percent of the total, even accusing the authorities of genocide. Musalev warned that the situation was critical in Mordova, blaming the problems on "imperial aggression." He argued that the human rights of the indigenous peoples in Mordova were not respected.

However, allies of the Mordovan authorities rejected these accusations. Chairman of the International Social Movement for the Mordovan People Mikhail Mosin said that those who talked about such imperial aggression and the genocide of the Erzya and Moksha peoples were nothing but a small radical group who always gave the most critical interpretation to the events in Mordova. He argued that while the situation was far from perfect, the authorities were trying to resolve the problems of the indigenous peoples. - Igor Telin in Saransk

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