

# Moscow and multipolarity

By Vladimir Radyuhin

Russia (11)

*Russia is building new alliances and using oil to counter the United States' attempts at regime change in its neighbourhood.*

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**R**EELING FROM an election debacle in Ukraine, Russia is bracing to fight what it sees as a Western offensive to set up a *cordon sanitaire* around its borders. Even while the defeat of the Russia-backed Prime Minister, Viktor Yanukovich, was mainly the result of an overwhelming rejection by voters of the corrupt oligarchic regime of the outgoing President, Leonid Kuchma, Moscow saw the heavy hand of the United States in orchestrating an "orange revolution" in Ukraine, which brought a pro-Western leader to power.

The immediate task for both Moscow and Kiev is to do some damage control after a lot of angry election campaign rhetoric on both sides. Viktor Yushchenko, Ukraine's Opposition leader who has won the disputed presidential poll re-run on Sunday, has said his first visit would be to Russia. For his part, the Russian President, Vladimir Putin, said he expects no problem working with Mr. Yushchenko.

With Ukraine importing about 90 per cent of its oil and 80 per cent of its gas from Russia, Moscow will continue to exert a powerful influence on Kiev's policy and will try to keep it in a free-trade zone it is setting up in the former Soviet Union. However, a fundamental re-orientation of Ukraine towards the West is on the cards.

Yuri Kostenko, Mr. Yushchenko's deputy in a coalition of parties that brought him to power, said in an interview on Monday that Ukraine could join NATO and the European Union within five years. This will create an entire new geopolitical configuration for Moscow and has already generated shifts in Russia's foreign policy.

Mr. Putin has said Russia will remain the U.S.' ally in combating terrorism and nuclear proliferation. But he has also declared a stronger resolve to uphold its national interests in the neighbourhood, forge regional alliances to balance U.S. domination, and to restore state control over the energy sector to wield the country's huge energy resources as a powerful instrument of its foreign policy.

The Russian leader warned the U.S. against further attempts to isolate Russia by stage-managing Ukraine-

type "orange revolutions" in other ex-Soviet states. "If we embark on the road of permanent revolutions ... we will plunge all the post-Soviet space into a series of never-ending conflicts, which will have extremely serious consequences," Mr. Putin said last week in Moscow.

Kyrgyzstan and Moldova, which hold parliamentary elections in February and March respectively, are the likely next targets for the West-fomented "velvet revolutions" that led to regime change in Ukraine and Georgia a year ago.

Russia's remaining allies in the former Soviet Union, above all Belarus and the Central Asian states, are now expected to move closer to Moscow.

Kyrgyzstan's President, Askar Akayev, said on Saturday that he was aware of the West's plans to incite a "tulip revolution" in his country to install a compliant regime and promised to foil these designs. Uzbekistan's leader, Islam Karimov, also said he would not tolerate "revolutions." "One cannot use democracy as a means to topple state power," he said after a tightly controlled parliamentary poll on Sunday.

The Interior Ministers of post-Soviet states met in Moscow last week to coordinate efforts to combat "all sources of terrorism and extremism" in the Commonwealth of Independent States.

Notwithstanding the election of a pro-Western President in Ukraine, Mr. Putin has vowed to push forward a pact to create a common market with Belarus, Ukraine and Kazakhstan. He has also asserted Moscow's right to bring ex-Soviet states closer to Russia. "We have focussed and will continue focussing on the development of relations with our closest neighbours in the economic sphere," Mr. Putin declared. He has made it clear that Russia will more resolutely defend its interests beyond the erstwhile Soviet Union as well.

At the height of the Ukraine standoff with the West, Russia and China agreed to hold their first large-scale

joint war games next year on Chinese territory in a sign of a rapidly growing alliance between the two nuclear powers.

Halfway through the election crisis in Ukraine, the Speaker of Russia's Upper House, Sergei Mironov, visited Iran to reiterate Moscow's support to Teheran in its deepening confrontation with Washington. "Russian-Iranian friendly relations are extremely important for promoting the national security of both countries and stability in the region and beyond," the number two man in the Russian power hierarchy said in Teheran. After long delays, Moscow last week reaffirmed its commitment to supply nuclear fuel for Iran's first nuclear reactor built with Russian help and raised the prospect of building up to seven more reactors in that country.

The Russian President has launched a new crusade against U.S. unilateralism, projecting "velvet revolutions" in ex-Soviet states as part of Washington's strategy to impose its will on the rest of the world. "We see attempts to remodel the God-given diversity of modern civilisation according to the barrack-like principles of a unipolar world as extremely dangerous," he said during his visit to India earlier this month.

It was by no accident that the Russian leader fired the opening salvo against "diktat in international affairs" from New Delhi. Russia sees India and China as its main allies in building a multipolar world. Russia's setback in Ukraine has made Mr. Putin redouble efforts to forge an informal axis with India and China.

Moscow is nurturing even more grandiose plans to expand the Russia-India-China triangle to include Brazil. Mr. Putin paid the first-ever visit by a Russian leader to Brazil barely two weeks before visiting India. His offer to jointly promote "multipolarity" and "a just democratic world order" met with enthusiastic response from the Brazilian President, Lula da Silva, who, on a visit to India in January, called for an alliance

with China and Russia similar to the IBSA forum Brazil had already set up with India and South Africa.

Mr. Putin has also intensified his drive to re-establish state control over the strategic energy sector. Last week, the Russian Government *de facto* re-nationalised the country's biggest private oil major, Yukos, selling its main assets to the state oil company, Rosneft, which is expected to merge with the government-controlled natural gas monopoly, Gazprom. The new oil-and-gas conglomerate will rival Exxon Mobil, and Mr. Putin has suggested that the Government may bring other oil companies under its control as well.

Given the uncertainty of Middle East supplies, Russia has acquired a powerful geopolitical clout as the world's biggest energy producer. "If Putin is successful in exerting control over the Russian oil industry, the U.S. economy will be directly dependent on decisions made by the Russian President and Kremlin," the pro-Republican U.S. National Center for Public Policy Research warned.

Russia has also moved to diversify its energy export routes to ease its dependence on Europe as the nearly exclusive market for Russian oil and gas. Moscow has formalised strategic alliances with India and China to meet their growing energy needs and to jointly develop new oil and gas projects in Eastern Siberia.

Even though oil has displaced nuclear arsenals as Russia's chief foreign policy weapon, Moscow still sees them as the ultimate guarantor of its security and sovereignty. Russia has poured additional funds into perfecting its nuclear missile technologies and has held a record 20-odd long-range missile tests this year.

"In the long historical perspective, we will preserve nuclear parity, not only with the United States but also with the other nuclear powers," Russia's Defence Minister, Sergei Ivanov, said last week after witnessing the concluding test-firing of the mobile version of the latest Topol-M intercontinental ballistic missile, which is capable of busting the planned U.S. missile shield.

The induction of the new missile has been advanced by one year and will now begin in 2005.

# RUSSIAN FOREIGN POLICY

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## Another Year Of Shattered Illusions

By DMITRY KOSYREV

The year 2004 which began with surprising events in neighbouring Georgia, where new and largely unexpected for Moscow forces used non-parliamentary methods to come to power, is ending with similar events in another neighbouring Ukraine.

No matter how the crisis in Ukraine ends, the very fact that it exists should be enough for Moscow, or rather its political elite, to abandon illusions about the rapid development of harmony, accord and mutual understanding between world powers in economic development.

Unlike professional politicians and diplomats, ordinary people in Russia tend to fall in love with the world and expect the world to love their country in return. This is why we have suffered so often from shattered illusions.

### Ties strengthened

At the beginning of 2004, the world seemed nearly beautiful: the USA was deadlocked in Iraq and desperately needed the assistance of friends, and Europe shied away from the bold US moves on the world scene and seemed to be quickly moving closer to Russia, finding a common language with it at least over the USA and Iraq. As for the other neighbours and leading partners — the CIS, China, India and others — everything seemed to be going well (or well enough) in relations with them.

The main achievement of Russia's foreign policy in 2004 was a substantial strengthening of relations with the Asian giants (China and India), the beginning of new relations with Brazil, and progress in contacts with Southeast Asian states. Moscow does not have major political or ideological differences with them, though it did have quite a few technical, trade and other problems, in particular, with China. Relations with it were nearly ruined by problems with the delivery of the pledged amount of oil. Many such problems were settled in 2004 and Russia's trade with the above countries flourished.

But Russia's main economic partner, the EU, which accounts for over a half of Russian trade,

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turned out to be its main foreign policy headache. The recent EU-Russia summit in The Hague and a session of the OSCE Council of Ministers in Sofia were shining examples of conflict-burdened international meetings. In The Hague, Europe as good as put on ice the project

ideology, according to which Europe is either the EU or it is not Europe?

The general impression is that Europeans, with their intolerance of dissent, cannot decide what they should do even about Turkey, let alone Russia. The European mindset spent the 1990s



of the four common spaces, an example showing that a European country can have close relations with the EU without attempting to become its member. The same happened in Sofia, where Foreign Minister Sergei Lavrov refused to sign a final document, thus cancelling the results of the conference and forcing the OSCE to halt work for the first time since its establishment in 1975.

### A paradox

It is a paradox but Europe, which was nearly an ally of Russia during the Iraqi crisis, plummeted to the bottom of the list of Russia's partners within a year. The USA, which seemed to be the main target for Russian, European and other critics, is still a rung or two above Europe. Why? Is it because Russia has joined China and Japan in keeping some of its growing hard currency reserves in US Treasury Bonds, thereby financing the US crisis economy and working against "Project EU" which rivals "Project America"? Or is the reason the specific European

entertaining the illusion that Russia was moving closer to European values, whatever they may be. When it became clear that this was not the case, that there can and should be different sets of values, Europe became frozen in surprise and remains frozen to this day.

Much can be said about the strange results of this paralysis. Europeans have demonstrated the essence of European values by supporting the illegal actions of the losing side at the presidential election in Ukraine, ignoring the interests of the majority of voters, pushing the country into a crisis and facilitating its split, and demanding new rounds of the election until the candidate that suits Europe wins. This is not the Russian (or European) idea of democracy.

But it worked a year ago, with Europe's approval, in Georgia. As a result, the conflict between Georgians and Ossetians flared up again on the Russian-Georgian border, one of the most dangerous zones in Europe. And Moscow had to put it out.

Why are European sympathies

in the CIS invariably given to the opposition leaders who have no political or administrative experience but have problems with the law? Do the post-Soviet states need such leaders? Why did Russia tolerate similar situations in Georgia and Yugoslavia but its patience has run out now? During his recent visits to India and Turkey, President Putin decided to speak about things that had long been worrying the Russian political quarters and the press, in particular, the dictatorship of political standards in international affairs.

### New crisis

The point is that the attempts to bring chaos to Ukraine, meaning to Russia's border, are unacceptable. In the early 1990s, Ukraine was split into the east and west and its economy was mired in a deep crisis. Hardly had it restored stability and got its economy working when Europe provoked a new crisis.

There is one more reason for the unexpected frankness of the Russian president. Last year and 2004 were a time of unrestrained economic growth in Russia, which created the confidence that is crucial for national awareness. Besides, Russia put on combat duty new strategic and other types of weapons, which the general public is not aware of but which also bolsters national confidence. In a word, the weakness of the 1990s is gone and forgotten, even though Russia has not regained the status of great power.

Humiliated by the economic troubles of the past, the Russian nation was prepared to tolerate any injustice and blows. But it has regained its normal state now, which is based on the "live and let live" principle.

What next? What conclusions will Moscow draw from the mixed foreign policy experience in 2004? If economic growth (and foreign trade, in particular with Europe) slows down, Mr Putin may return to his early practice — no conflicts and no verbal clashes. But if he sees that the battle of ideas with Europe does not seriously affect the growing economic ties between Russian and European business, he may — and one might well argue should — continue the ideological dispute.

KUCHMA VOWS TO HONOUR COURT RULING

# Putin warns against interference

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Associated Press

ANKARA, Dec. 6. — The West is trying to force its vision of democracy on the countries of the former Soviet Union, Russian President Mr. Vladimir Putin said today, as he warned against foreign interference in Ukraine and its political crisis.

In his first public comments since the Ukrainian Supreme Court found the second-round presidential election fraudulent and ordered a revote, Mr. Putin said countries were welcome to help mediate in Ukraine's crisis, but should not meddle.

"Only the people of any country — and this includes Ukraine in the full sense — can decide their fate," Mr. Putin told reporters after meeting Turkish President Mr. Ahmet Necdet Sezer.

"One can play the role of a mediator but one must not meddle and apply pressure," he said in a tacit reference to Western countries, which have been taking part in negotiations to defuse the Ukraine crisis.

In Kiev, President Leonid Kuchma said today that he will honour the



A girl serves tea to Mr. Viktor Yushchenko's supporters during a rally in Kiev on Monday. — AFP

Ukrainian SC's call for a repeat presidential runoff election, attempting to allay fears that he would stage a last-minute stand to prevent a repeat vote.

Mr. Kuchma's comments, delivered at a meeting of key ministers, were his first public reaction to the court decision of Friday.

In another sign of stabilisation, more government workers ventured into their office buildings past Opposition blockades to-

day. The easing of tension came after the Supreme Court invalidated the result of the 21 November presidential runoff election and ordered a repeat vote on 26 December.

Signaling he was ready for compromise, Mr. Kuchma said he was prepared to accept the court's ruling and reform the 15-member Central Election Commission, his spokeswoman Ms. Olena Hromnytska said. President Kuchma also

in orange hard hats and ponchos stood shoulder to shoulder to create a corridor for about 60 low-ranking employees to pass through. Self-appointed securitymen among the demonstrators checked identification badges and other documents before allowing the group to enter the building.

**Yanukovych confident**  
Prime Minister Mr. Victor Yanukovych, whose presidential runoff victory has been annulled by the Supreme Court, said today he was confident of winning the 26 December rerun.

In his first public comment since the court handed his Opposition opponent a major victory by ordering the rerun, Mr. Yanukovych told his supporters that he had picked up a new campaign chief and would reshuffle his regional campaign headquarters.

**Solana in Kiev**  
The European Union's foreign policy chief, Mr. Javier Solana, today voiced hope that new talks between the two candidates vying for Ukraine's presidency would facilitate a smooth presidential rerun and ease the country's political crisis.

# Global action against terrorism should be concerted and united: Putin

By Amit Baruah

*The Russian President, Vladimir Putin, is not a leader who flinches from answering difficult questions. In a written response to questions provided by The Hindu, President Putin does not believe that it is possible, in principle, to create a unipolar system of international relations. Mr. Putin, who will hold talks with Prime Minister Manmohan Singh on Friday, stressed that Russia was prepared to contribute to the enhancing of India's energy stability. He had no doubt in his mind that the strategic partnership between India and Russia would be strengthened under the Congress-led Government. Excerpts from the written response:*



United Nations already assisting the Iraqis to prepare for the first general elections should play a meaningful role in achieving that objective. We believe that successful elections held within the period specified in U.N. Security Council resolution 1546 would be of fundamental importance. Iraq and Russia have been good neighbours. And we are prepared to make our contribution to the reconstruction and revival of that country as a unified, stable and prosperous state.

**Shortly before the U.S. Presidential elections, you extended support to George W. Bush's candidature on the ground that his defeat would lead to the spread of terrorism to other parts of the world. Do you believe that President Bush, in his second term, will be less unilateral in his actions? Or are we likely to see the repeat of another Iraq somewhere else?**

Certainly, Russia followed the recent U.S. Presidential election with great interest and attention. It is only natural since progress in our bilateral relations and interaction in international affairs depend also on the approach taken by the U.S. leaders.

We have repeatedly stated that we were prepared to work with any administration that would enjoy confidence of the American people. At the same time, the recent achievements in U.S.-Russian relations became possible to a large extent thanks to the constructive policy pursued by George Bush — politician and statesman whom we consider to be our reliable partner and ally in the war against terrorism. It is because of that I took the greatest pleasure to congratulate him for his well-deserved victory. I am convinced that under the second term of [the] George Bush administration, Russian-American cooperation will be no less dynamic and fruitful.

This does not mean that there are no differences between the U.S. and Russia; however, we resolve them through dialogue taking into account our countries' long-term interests. We build our relations based on developing equal and mutually advantageous ties, jointly dealing with new challenges and threats, first of all those relating to international terrorism, proliferation of weapons of mass destruction, organised crime and drug-trafficking.

Those global challenges and threats of the new millennium can only be met collectively. There is a growing understanding of this evident fact globally. Developments in Iraq have once again proved that unilateral actions are counter-productive. I will be frank: in my talks with many foreign leaders I used to hear the following question: "If global affairs are to be dealt with according to the 'Iraqi model', how can we guarantee our countries' security and sovereignty?" We have repeatedly called our American partners' attention to this reality. And eventually, they realised the need to reach a political settlement in Iraq using the U.N. mechanisms. I believe that the new administration will undoubtedly bear in mind "Iraqi lessons" when determining its foreign policy.

**There has been a lot of talk of multilateralism and multipolarity, but the world looks more unipolar than before. Is Russia capable of and interested in taking on a leadership role in restoring some kind of balance in global strategic affairs?**

I do not think it is possible, in principle, to create a unipolar system of international relations. Interdependence of states and interdependence of national economies are growing. Most civilisation development factors — both negative and positive — are acquiring a global character. No single state, even the most powerful one, can cope alone with terrorism, numerous local conflicts, social diseases and, thus, is not able to provide global stability and progress. All those problems can only be solved through multilateral cooperation under the U.N. auspices. Russia is ready to make its contribution; moreover, it is contributing constructively to this common work.

**Question: You will be meeting a Prime Minister from the Congress party for the first time. Will this have a bearing on the strategic relationship between India and Russia?**

**Vladimir Putin:** In fact, I have already met Dr. Manmohan Singh in 2002. He was then a member of the INC [Indian National Congress] working committee and participated in our meeting with Mrs. Sonia Gandhi, president of the INC.

I would like to say that Dr. Manmohan Singh is well known in Russia. He is one of those, who could be called [the] "young guards" of Jawaharlal Nehru, who is highly respected in our country and who, in many respects, played a decisive role in successful economic reforms in India.

At the same time, I would like to stress that the current level of Russian-Indian partnership cannot and should not depend on internal transformations, which are quite natural to democratic states. Our countries are already interacting along a clear-cut line, and all the leading political actors of India, including, certainly, the INC, have made a valuable contribution to its development. We have no doubt that the new Indian leadership will continue to pursue that course.

As we are aware, Dr. Singh is strongly committed to the policy of developing friendly relations with Russia. And I am looking forward to new, major progress in Russian-Indian cooperation, after the meeting in New Delhi.

**India and Russia are set to expand their cooperation in the oil and gas sector. Can you give us some details of what is envisaged?**

Russia and India have expanded cooperation in the field of oil industry. In doing so, they expect that investments would go not only to Russia. Implementation of projects in India is also scheduled. As a successful example of Indian-Russian cooperation, I could quote the ... Sakhalin-1 project.

On its part, India is working on an international tender for the exploration and exploitation of oil and gas reserves in the shelf of the Gulf of Bengal. Gazprom joint stock company, which is a leading and, no doubt, most stable Russian company, could participate in that project ...

What is most important is to strengthen partnership between India and Russia in the field of energy, which is in the mutual interest of both economies. Presently, India imports up to 73 per cent of oil. It is well known that the new Government of India aims at achieving eight per cent annual economic growth. Hence, in the near term, fuel and energy requirements of the country are going to increase. Russia, being a long-term and traditional partner of India, is prepared to contribute to enhancing energy stability of the developing Indian economy, to the development of its fuel and energy sector.

**The whole world watched with horror the killing of schoolchildren by Chechen terrorists in Beslan in September. What steps have you taken internally to deal with the menace?**

First of all, I would like to express my gratitude for the support rendered by the Indian people, [and the] Government of India in connection with the monstrous crime in Beslan.

Those who tortured and shut children in Beslan are killers who are members of the "terrorist international". They do not and cannot have any excuses.

India, having experienced the grief of its recent history, has realised the monstrous and horrible character of terror. Eminent citizens of your country, their recognised leaders, Mrs. Indira Gandhi and Mr. Rajiv Gandhi were killed. Thousands of innocent people became victims of terror. Courage displayed by the Indian people who managed to overcome those tragedies and unite to resist terrorism will be a leading example for all of us.

One opinion is evident: the Beslan experience cannot but produce certain conclusions. International terrorism has declared a war. And we are obliged to meet that challenge and to protect adequately sovereignty and integrity of our countries, life and peace of our citizens. This should be a systematic activity. First, we should improve the efficiency of law enforcement bodies and special services. Their work should be commensurate with the tasks faced today by the whole society and special services in particular. Moreover, the interaction mechanisms, ways and means, working methods and modalities of law enforcement bodies should be commensurate with the nature and scope of the threats faced by Russia.

Second, measures to strengthen the unity of national executive bodies have been elaborated and partially implemented. I would like to emphasise that steps have been taken to consolidate democracy, federalism and civil society, as well as to promote the growth of major national political parties. I am convinced that it is only a politically structured and mature society that is able to form a responsible and workable power structure and to effectively counteract such threats as extremism, terrorism and separatism.

We intend to continue to use preventive methods against terrorists. However, our actions will be in strict compliance with the Russian legal and constitutional norms and rules of international law. In general, the whole range of activities to enhance the security of Russian citizens and to guarantee their constitutional rights will certainly be based on full respect for democratic values, consolidation and development of democratic institutions. It is for this specific purpose that the Russian Public Chamber is being created. It will be entrusted with civil expertise of major governmental decisions.

**The problem of terrorism did not emerge on September 11, 2001, and is not limited to the U.S. and Western Europe. India and Russia, on their part, made statements against the policy of "double standards" in the fight against terrorism.**

Of course, the problem of terrorism emerged not on September 11 and is in no way limited to Western Europe and the U.S. Terrorism is a global and destructive phenomenon affecting all states and societies, bringing death to all people in the world.

There can be no "double standards" in the fight against terrorism; otherwise this struggle would become ineffective or meaningless. Russia and India both have a common understanding of this fundamental principle.

However, not all of our partners demonstrate understanding of such seemingly apparent facts. Here, may I be permitted to make a stiff [strong] comment. As you are aware, one of the leaders of Chechen terrorists — A. Zakaev — continues to travel freely across European countries. The U.S. authorities gave safe haven to another envoy of terrorists — I. Akhmadov.

Providing safe haven and support to terrorists, their accomplices and sponsors actually serves as a justification and, indeed, encouragement of their crimes. In our view, a tolerant attitude towards Zakaev, Maskhadov, Akhmadov and the like is an apparent recurrence of the notorious "double standards." Such steps undermine the unity and mutual trust of the participants of the anti-terrorist front.

May I remind you that according to U.N. decisions, states are obliged to verify, when providing asylum, that the person in question is not related to terrorism. However, somebody influenced by stereotypes or — which is particularly dangerous — hoping to get questionable political dividends, prefers to turn a blind eye to apparent facts.

**Do you believe that the invasion of Iraq detracted from the larger fight against international terrorism? The failure to nab Osama bin Laden and his continued threats are a sign that the Al-Qaeda network is alive and kicking. Your comments.**

We are alarmed by a difficult and dramatic situation in Iraq. Terrorist activities there are not diminishing while peaceful Iraqis and citizens of other states become victims of violence. This is the threat Russia repeatedly warned the U.S. and their allies about before the action taken against the [Saddam] Hussein regime. As predicted, after his fall Iraq and the whole world did not become more safe and secure.

One should understand that terrorist and extremist groups of all stripes, including Al-Qaeda, are now actively using to their benefit the difficult situation that persists in Iraq for their cynical and criminal interests. As had been the case with Afghanistan, Iraq turned into a major hotbed of a terrorist threat, a firing ground and "incubator" for militants. It is here and now that thousands of future terrorists are being recruited by terrorist networks. Those forces, most probably, can be employed in other regions of the world.

There is yet another essential aspect worth speaking about. Differences over Iraq, and they were, I would remind you, rather considerable, and existed between the leading participants of the international anti-terrorist coalition, led to a significant slowdown of the development of international anti-terrorist interaction. Hence, it is of crucial importance that the activities aimed at combating "the terrorist international" be reduced to a common denominator. Actions undertaken by world community to counteract terrorism should start from international law, be concerted and united. Only in this case will those endeavours bring up a necessary outcome required by all [the entire] human race — that is victory over terrorism.

Russia has consistently supported the thesis that the situation in Iraq be settled through establishing a nationwide dialogue in order to reach national accord and reconciliation. The

# "Multilateralism the best solution"

By Amit Baruah

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11/10

**S**ERGEI LAVROV looks and sounds more like a professor than a diplomat. In an exclusive interview to The Hindu, the Russian Foreign Minister spelt out his country's stand on Chechnya and its differences with the West on the issue. He was clear that multilateral approaches were the best solution to global problems and regional conflicts. On the bilateral front, Mr. Lavrov said India should eventually recognise Russia as a country with a market economy. Excerpts:

**Question: In the wake of the Beslan terrorist attack, what can Russia and India do to fight the terrorism menace together?**

**Sergei Lavrov:** We are already doing several important things together. First, we are very active members of the counter-terrorist coalition. We [follow] the same political principles in this fight, in particular, at the United Nations. While India was strongly supporting the need to universalise all counter-terrorist conventions and also initiated the adoption of a comprehensive counter-terrorist convention, Russia on its part suggested a new international convention on fighting nuclear terrorism.

On October 8, the Security Council, in a Russian initiative, adopted a new, very strong counter-terrorist resolution, which among other things, called upon all countries to remove hurdles in the path of speedy adoption of both the Indian and Russian conventions.

I highly appreciate this dialogue and practical cooperation and I believe that Beslan and Egypt and other terrorist acts in other regions should only strengthen our resolve to be more persistent and more resolute in this fight.

**After the terrible killings in Beslan, the advice from the West was for Russia to engage the Chechen separatists or terrorists. So, why not engagement, then, between the West and Al-Qaeda?**

That's exactly what my President [Vladimir Putin] said when he had meetings with visitors from Europe and the United States ... they say we should reach a political solution in Chechnya, but these calls ignore the reality on the ground.

The political process in Chechnya is well under way. The Chechen people... they also voted to elect their President as another step in the political process. President [Akhdad] Kadyrov, who was murdered on May 9, actually, not long before his election, was fighting Russian federal forces as leader of one of the armed groups. But he never fought children and women.

And, at some point, he as a soldier, decided that he wants peace for his people... and because of that he was murdered. In August, elections for a new president of Chechnya took place, and again people came and expressed their will and the new President, Mr. [Alu] Alkhanov, is now in charge of the Republic.

All those, including those who were fighting against federal forces, who wanted to join the [political] process, are already there. If the calls to engage have in mind persons like [Akhmed] Zakayev, who got political asylum in London, or [Ilyas] Akhmadov, who got political asylum in United States, our answer is that these people are guilty of being connected with terrorist activities and we want them to be extradited and we would insist on their extradition.

The resolution of the Security Council that was adopted [on October 8] contains provisions, which make the case of those who refuse extradition much more difficult.

**Turning to the India-Russia relationship, there have been concerns that while the political and defence relationship is strong, our trade relationship is not on a good footing.**

That was the central theme of my discussions here. I came to New Delhi exactly with this concern. And, I was very gratified that the Prime Minister and the Minister of Foreign [External] Affairs were basically reading from my speaking notes.

They also expressed dissatisfaction with the state of our trade and economic relations. We do want India to recognise Russia, eventually, as a country with a market economy, which has been done by many countries already. We still haven't got a decision from India though the previous government was saying, publicly, that they were sure Russia was a market economy.

I am glad to say that the Prime Minister [Manmohan Singh] was very firm that this must be done before President Putin comes here [to India in the first week of December]. We also want that Indian banks and other financial structures accept guarantees of private Russian banks. All

this would certainly move economic cooperation up.

**India is keen to expand cooperation in civilian nuclear matters with Russia beyond Koodankulam. Will Russian obligations as a member of Nuclear Suppliers Group (NSG) come in the way of this?**

The international law now provides for some principles and we are members of the non-proliferation regime — the NPT, NSG and the Missile Technology Control Regime. We do believe that this is crucial to prevent the proliferation of WMD.

We will be continuing the current cooperation in Koodankulam, but we have to follow our international obligations. The discussions could continue, but within this framework.

**The annual India, China, Russia Foreign Ministers meeting did not take place due to scheduling arrangements in New York. Are there plans to meet now?**

Yes, but it will take place in Almaty on October 21. There is a meeting on Cooperation and Confidence-Building in Asia, which is a mechanism created at Kazakhstan's initiative.

It [the meeting] is about shared values on how to approach international relations these days. It's about our common belief that multilateral approaches are the best solution to global problems and regional conflicts. It's certainly our belief that our three countries can do a lot together to keep and promote stability in the Asia-Pacific region, Eurasia in general and in the United Nations.

**What's your view of Saturday's elections in Afghanistan? There are controversies surrounding the poll process.**

I haven't got the final information. There were some troubles, I heard, some attempts to undermine the voting ... we do want this election to bring more stability to Afghanistan. We support the elections, though our original, very strong preference was to stick to the decision reached in Berlin in April that there should be simultaneous elections to the Presidency and Parliament.

This was a decision endorsed by President [Hamid] Karzai, by the Government of Afghanistan. But, somehow, unfortunately, this was not possible. I hope these [parliamentary] elections would be done sooner rather than later because these would certainly solve some of the problems related to the building of national consensus in Afghanistan; it would involve major political forces and make them feel represented.

**On Iraq, we have a timetable for elections by the end of January next year. We also see a spiral of violence — attacks, killings and air raids. Do you see Iraq as a problem that will**

**be around for a long time to come?**

I think so. After the war was declared over and the Security Council was asked to help stabilise Iraq, we were ready to do this. All those countries that believed and still believe that the war was unjustified participated in the negotiations about the role the United Nations could have in the process.

Not all of our concerns were taken into account. Eventually, the Security Council did adopt quite a good resolution, I would say, last June. But, our preference was to form the provisional government, which would be preceded by a national gathering of all Iraqis, including the opposition; with the support of the neighbours, members of the Security Council and the Arab League.

That's what we called an international conference on Iraq, similar to the one on Afghanistan held in Bonn, which set the stage for the current political process in Afghanistan. We believe that the creation of an interim government on the basis of such national dialogue... could stabilise the situation better than just having some sort of process, which was not very transparent and the list of people that emerged was then just brought to the Security Council.

We want the current interim government to succeed, but we do believe that even now the need for a national dialogue, national consensus is as acute as ever. We do think that it is not too late to organise a meeting, which would promote national consensus and help the interim government to start a dialogue with the opposition, especially on issues related to preparation for the elections. There is some understanding of this need and the idea of an international conference with approximately this agenda is gaining ground and it might take place before the end of November.

**But, a lot of people believe that the presence of foreign troops is the real problem and as long as these troops remain present the situation in Iraq is not going to stabilise.**

The foreign troops presence, again, was endorsed by the Security Council as an interim measure for as long as the Government of Iraq reaffirms that they want these troops to be there. In any case, the resolution of the Security Council provides for a review of the situation early next year.

Again, I believe, that more the efforts we all make to make sure that the opposition is involved in the political process, the greater chances we have that the violence would decrease and the day when the foreign troops, the multinational force, could leave Iraq, would become close.

# CHECHNYA CONFLICT-II

## Lessons That India Can Draw

By DIPAK BASU

Chechnya, landlocked on three sides by Russia, includes fertile farmland that straddles the wheat fields of southern Russia. It has key transport assets — rail/ road routes that link the Black and Caspian Seas and trade routes to other trans-Caucasus republics. Most important, Chechnya controls vital oil and natural gas pipelines that connect the Black and Caspian Seas, as well as vital oil fields and refineries. We can add to this Chechnya's chemical and engineering industries as well as its supply of building materials. Chechnya, at one time, was one of the richest oil producing regions in the world.

The stakes are enormous. There are primarily, transit routes for oil pipelines from which Moscow can boost its export revenues. Recent oil finds in the Caspian Sea also need these transit routes in order to be shipped to Western nations.

### Western conspiracy

Western oil companies are trying to cut off Russia from the Central Asian oil producing areas in Kazakhstan and the Caspian Sea. Enormous investments have been made by both Exxon and British Petroleum to drive out Russian influence on Central Asian oil and natural gas producers. Proposals have been pushed for pipelines from the Caspian Sea through the Caucasus to the Black Sea which would provide the most direct route to the West. Other proposals have included a pipeline through Iran, which the US finds unacceptable primarily for political reasons.

There are two sources that add fuel to the Chechen conflict, which cannot survive without international funds. The first factor is the Western ambition to reduce Russia to a small insignificant nation by cutting Russia off from its most important export earner, crude petroleum. The second factor is the doctrine of a crude version of Islam, the Wahhabi sect of Saudi Arabia, and its followers (Magomed Yevloyev, leader of the Ingush Wahhabi, was among the bodies of the attackers lying in the schoolyard in Beslan).

Thus, if it is possible to cut off Chechnya from Russia, it will affect Russian ability to export oil and natural gas to the European market significantly. Independence of Chechnya will create a chain reaction in the other Muslim majority provinces in Russia, Tartarstan in particular. Separation of both Chechnya and Tartarstan will

reduce Russia's crude oil deposits to a low level, as the Siberian oil fields are located in the most inhospitable areas of the world. As a result, Russia will be reduced to a very poor country without any military significance.

That is the reason why the British army is giving training to their counterpart in Azerbaijan,

on criticised India for suppressing the rights of the Muslim Kashmiris.

The second international factor sustaining Chechen terrorists is the Wahhabi movement of Saudi Arabia. Wahhabis are active in Bangladesh, where they terrorise both Hindus and liberal Muslims like Sufis. Sufis or



a Turkish country ethnically linked to the Chechens. The US army is already in Georgia, which is giving sanctuary to Chechen terrorists. Both Britain and the US are giving political asylum to Chechen terrorist leaders. A very important Russian-Jewish oligarch, Boris Berezovsky, with close contacts with the Chechen terrorists, recently fled from Russia and got immediate British citizenship. Anglo-American oil companies are buying up as many oil and gas fields as they can in the former republics of the Soviet Union. Recently BP tried to purchase a significant amount of shares of Yukos Oil, which owns one-fifth of the Russian oil fields, mainly in Siberia. However, the sudden arrest and imprisonment of the owner of Yukos Oil, a Russian-Israeli oligarch Khodorkovsky, has put an end to it.

### The ways of jihad

The outburst of the Dutch foreign minister Bot on behalf of the president of the European Union, immediately after the Beslan massacre, criticising Russia for its treatment of the Chechens is another indicator of Western support for the Chechen cause. The European parliament recently in a similar fashi-

Bauls of West Bengal are not recognised as real Muslims any more. In old Delhi, Wahhabis are forbidding Muslims to patronise the Sufi shrine of Nizamuddin Aulia. Wahhabis are financing terrorists across the globe — Afghanistan, Kashmir, Bosnia, Kosovo, Thailand, Indonesia, the Philippines and Chechnya. In all these trouble spots, international armies of terrorists are receiving finance and logistics from the Wahhabis, Osama bin Laden being one of them. The three countries most active in this sphere are Saudi Arabia, United Arab Emirates, and Pakistan. In Beslan, a significant number of the terrorists were Arabs; this is also true among terrorists in Kashmir.

The chief of Kashmiri terrorist outfit Jaish-e-Mohammed, Maulana Masood Azhar, has said: "In Islam the only meaning of jihad was killing, and those who projected the concepts of Jihad Akbar and Jihad Asghar were against Islam." (Jihad Akbar is supposed to be non-violent while Jihad Asghar is supposed to be war by the sword.) Another supporter of terrorist groups in Pakistan, Justice (retired) Javid Iqbal said that Pakistan and the Islamic world should declare

that suicide bombing against the West was actually jihad.

Chechen terrorist leaders like Zelimkhan Yanderbeyev and Salman Raduyev had travelled to Pakistan to mobilise funds for their activities. Retired Pakistan Army officers were found providing military training to Chechen terrorists in the northern Caucasus. Chechen terrorists were also found receiving military training in Afghan camps controlled by Pakistan's Inter-Services Intelligence when the Taliban regime was in power in that country.

### Russia-India *bhai bhai*

There is no room for liberalism in the Wahhabi version of Islam. Although a large number of Muslims across the world are opposed to this violent interpretation of Islam, the financial muscle of Saudi Arabia and United Arab Emirates have turned Wahhabism into the main current of Islam today. President Putin has declared that the massacre of the children in Beslan is a "war against Russia". In this case, Russia should try to cut the roots of the Chechen terrorists and take the war to its financial sources: the western oil companies and Saudi Arabia-UAE-Pakistan.

Russia should nationalise the oil and natural gas companies and ask Kazakhstan and Uzbekistan to do the same. That will drive out the Western oil companies. Russia still is a formidable nuclear power. If it would attack Saudi Arabia, UAE, and Pakistan, there is nothing the USA can do without risking its own annihilation. Russia must understand that withdrawal from Afghanistan in 1989 has not made Russia safer, as Gorbachov had wished. Instead, it has encouraged the possibility of eventual destruction of Russia by the terrorists.

It should also open the eyes of India as well. Dialogue with Pakistan or "people to people" contact cannot deter Pakistan and Bangladesh-backed terrorism, which has its roots in a twisted interpretation of Islam, that had ruined the possibility of a united India in 1947. India must also understand that it should not trust the Anglo-Americans who have used the excuse of "the war against terrorism" to occupy the oil fields of Iraq. Russia and India, both victims of international terrorism, must be united to fight it out with determination and resolve.

(Concluded)

# CHECHNYA CONFLICT-I

## The Major Sources Of Support For The Terrorists

By DIPAK BASU

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The massacre of innocents in Beslan has demonstrated the helplessness of the Russian authorities in the face of the continuous threat of Chechen terrorism. However, the conflict is either not known or is misunderstood by the world community. The Western world believes that Russia, just like India in Kashmir, is trying to suppress a legitimate movement for the right of self-determination of the Chechens. The truth is far from it. The tacit support of Western countries for the Chechen terrorists, by providing asylum to leaders of the separatist movement in both UK and USA, points to a different motive.

### Pan-Turkism

The Chechens are not the original people of the Caucasus region. Ethnic Chechens believe themselves to be an incident tribe of Turkish origin which has lived in the Caucasus mountains of southern Russia for many centuries. The Turks first came from the wide plains of central Asia. These nomadic horsemen migrated westwards, converting to Islam along the way, until they finally reached Anatolia. In 1071, the Byzantine Emperor Romanus IV Diogenes was defeated by the Seljuk Turks at the Battle of Manzikert, and this opened the way for Turks into Asia Minor.

Today the ethnic cousins left behind in central Asia are the Azerbaijanis, Kazaks, Uzbeks, Turkmen, Kyrgyzs, Uygur, as well as smaller groups like the Chechens and the Gagauz. The downfall of the Soviet Union has resulted in a rise of a feeling of Pan-Turkism — that of the unity of Turkish peoples.

There is the ancient Chechen legend about the head of the clan who came from Arabia and settled in the mountains and became the founder of the Che-

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chen nation. It seems these Arabs got mixed up with Khazars and native Daghestanian groups. The Turk influence is evident. The separatists call Chechnya the Republic of Ichkeria. The name Ichkeria is derived from the Turkish word *Ichker* or *Icher* that means the "inner land".

In 1453, Constantinople was

occupied by the Turks. About 400 years ago, there was a combined attack on Armenia and Georgia, by the Turks (Seljuk), Egyptians Turks (Mumluk) and other Arabs.

Thus, when the Western coun-



tries and Muslim states like Saudi Arabia or Pakistan are supporting the Chechens, they are in fact supporting the colonisers of the Caucasus, in the same way they support Muslims in Kashmir — the colonisers of Kashmir, not the original people of Kashmir.

### Eastern crusades

Russia started under Peter I and then Catherine II in the 18th century its gradual resistance to the Turkish rule in the Caucasus and liberation of Georgia and Armenia from Turkish colonisation. In 1785, Sheikh Mansur made an attempt to create an Islamic state in North Caucasus to resist the Russians, but he failed.

Under General Yermolov, during 1816-1827, Russian military pressure intensified. In response, in 1834, Imam Shamil es-

established a theocratic sharia state in Chechnya. In 1859 Shamil suffered defeat and became an honorary captive of Emperor Alexander II. Some of the most famous Russian writers, Tolstoy, Turgenev and Lermontov, took part in that war in the Caucasus as Russian army officers and wrote several novels about that war. Imam Shamil and his family were treated kindly by the Czar and the Chechens renounced the ideals of the Caucasian war.

### Present conflict

In 1944, when south Russia was occupied by the Germans, the Chechens made an attempt to raise an army to support the Nazis. In response, Stalin deported all of them to Kazakhstan. Only in 1957, Khrushchev brought them back to Chechnya and instead of mountain land, where the Chechens used to live, gave them the most fertile lands in the border of Georgia and south Russia to form the Autonomous Republic of Chechen and Ingush, within the USSR.

The present conflict in Chechnya started, in 1993 when the USSR fell apart. In those days of confusions, Dudayev, a Chechen general in the Soviet Army, declared independence for the Chechnya with the support of some of the Muslim states and implicit support from Western countries in general.

The separatist movement was helped by an Arab Mujahideen group with its leader Al-Khattab, a national of Jordan. Al-Khattab has been active in Chechnya from the time of Russia's first military assault on Grozny, the Chechen capital, in December 1993. The Chechens, like the majority in Kashmir, are Muslims, and have enjoyed the support of Turkey and countries in the Middle East and Pakistan. Saudi Arabia is the major source of funds for the Chechens. The Saudis call their struggle a war of liberation.

*(To be concluded)*

# Russian Cabinet backs Kyoto pact

Associated Press 1/10

MOSCOW, Sept. 30. — The Russian Cabinet today approved the Kyoto Protocol in a crucial step that could bring the long-delayed climate change treaty into worldwide effect within months.

But many Russian officials remain opposed to the treaty. Prime Minister Mr Mikhail Fradkov, on a trip to the Netherlands, said he expected a "difficult debate" when parliament meets — possibly before the end of the year — to decide on final ratification.

President Mr Vladimir Putin's economic adviser, Mr Andrei Illarionov, lamented "a political decision that will damage national interests in many areas", according to the ITAR-Tass news agency.

The 1997 Kyoto Protocol seeks to reduce emissions of carbon dioxide and other greenhouse gases, widely seen as a key factor behind global warming. Without Russia's support, the pact — which has been rejected by the USA — cannot come into effect. It needs the support of 55 industrialised nations accounting for at least 55 per cent of global emissions in 1990.

In Brussels, European Union spokesman Mr

## What now...



THE LAST GASP: A Russian smelting plant in South Ural.

BERLIN, Sept. 30. — Environmentalists cautioned that the accord can only be a "first step" toward negotiating deeper cuts in greenhouse gas emissions. "Russia's move will allow the climate train to leave the station so we can really begin addressing the biggest threat to the planet," said Mr Klaus Toepfer, the head of the UN Environment Programme. — AP

Reijo Kemppinen called the Russian approval "a very welcome event" and said the EU hopes the USA will reconsider its position.

Industrialised countries are supposed to cut their collective emissions of six key greenhouse gases to

5.2 per cent below the 1990 level by 2012. The pact would come into effect 90 days after winning Russian support.

Mr Illarionov, Russia's most outspoken Kyoto opponent, and others argue that joining the pact would stymie Russia's economic growth and make Mr Putin's goal of doubling gross domestic product in a decade unattainable.

Russia's emissions have fallen by some 32 percent since 1990 largely due to the post-Soviet industrial meltdown, but they have started to rise again amid an economic revival.

Disagreement on how to tackle global warming has been a major source of tension between Europe and the USA in recent years. The USA says the Kyoto Protocol would harm its economy and claims it favours developing nations.

A draft Bill will now be sent to Moscow's lower house of parliament, where the dominant United Russia party approves nearly all proposed legislation backed by Mr Putin. A vote could be taken by the end of the year, one official said.

Russia has been under intense pressure from the European Union to sign on to the deal — a factor which ultimately led to today's Cabinet approval.

## Bells yet to toll for Yeoh...



HONG KONG, Sept. 30. — Hong Kong-based action star and former Bond girl Michelle Yeoh denied that she was engaged to Ferrari motor racing team boss Jean Todt, a press report said today.

French tycoon Todt told a local newspaper at a diamond trade event on Tuesday that Yeoh had accepted his proposal but that has been denied by the former beauty queen.

"What? How did that come out? I didn't know about it," she told Chinese-language newspaper Oriental Daily News on the phone.

Asked if Todt has asked her to marry him, she said: "No, I have a lot of responsibilities and I've got a lot of work to do." Yeoh was also said to be "happy" in the relationship and she would "inform everyone if I get married". The pair met at a Ferrari event in Shanghai in June.

Yeoh, a former Miss Malaysia, shot to international stardom when she co-starred with Pierce Brosnan in the 1997 James Bond film *Tomorrow Never Dies* as a tough and beautiful Chinese spy. — AFP



Russia

## Russia, Georgia on warpath

13/8

By Vladimir Radyuhin

**MOSCOW, AUG. 4.** Russia and Georgia edged closer to the brink of war on Wednesday as Tbilisi threatened to open fire on Russian ships calling on the breakaway region of Abkhazia in the Black Sea and Moscow vowed to hit back.

The populist leader, Mikhail Saakashvili, said today he had given orders to sink "all the ships" heading for the Sukhumi

Port in Abkhazia, including "Russian boats carrying tourists." The Georgian coast guard last Friday opened fire on a Turkish ship that entered the waters of Abkhazia, which had gained de facto independence from Georgia in 1993.

Moscow responded by issuing its sternest yet warning to Georgia saying it will treat such a move as a "hostile act with all the ensuing consequences."

"The Russian side warns that

any attempt to bring harm to, let alone encroach on the life of Russian citizens will be given a deserving retaliation," said the Russian statement. Moscow accused Tbilisi of "losing touch with realities" and "displaying inability to solve the problems facing the country."

A Russian parliamentary delegation came under fire from Georgian positions in Georgia's second breakaway region, South Ossetia, on Wednesday

when they tried to inspect the site of recent fire exchanges.

### Flies to U.S.

AP reports from Tbilisi:

Amid the flaring tensions, the Georgian President, Mikhail Saakashvili, flew on Wednesday to the United States, where Parliament Speaker Nino Burdzhadze said he planned to meet the Secretary of State, Colin Powell, and the Defence Secretary, Donald Rumsfeld.

## Moscow no to Iraq troops

AGENCE FRANCE PRESSE

MOSCOW, July 24. — Russian foreign minister Mr Sergei Lavrov today made clear that Russia is not prepared to send any peacekeepers to Iraq, but said his government was studying other ways of assisting the country recover.

Following a 90-minute meeting with Iraqi interim foreign minister Mr Hoshyar Zebari, Mr Lavrov told reporters that the question of sending troops was not "under study" by Moscow.

Quoted by the Itar-Tass news agency, Mr Zebari said: "We need Russian peacekeepers", as well as Russian oil industry workers and other technicians.

Mr Lavrov said Russia was willing to help Iraq through political and economic means, such as training for senior managers or

the restructuring of the Iraqi national debt through the Paris Club of creditors. "I can assure you that these contributions will not be less important than those of the participants in the multinational forces," he said. Moscow's ban on peacekeepers precluded sending even military experts to the Russian embassy in Baghdad.

The defence and foreign ministries have strongly denied press reports this week that President Vladimir Putin had conducted discreet talks with the USA on the subject of sending troops.

Foreign ministry spokesman Mr Alexander Yakovenko said Russia would not send forces even if the international troops were deployed under the aegis of the UN as "that would have no bearing... Russia's position on the peacekeepers is known, I don't expect any change on this point".

THE STATESMAN

# N Korea refuses to follow Libya

ASSOCIATED PRESS

SEOUL, July 24. — North Korea today rejected a US suggestion that it follow the example of Libya and abandon its nuclear weapons programmes to open the way for economic aid and improved ties with Washington.

Calling the American proposal "nothing but a sham offer", Pyongyang reiterated that it would freeze its nuclear facilities as a first step toward their dismantling, but only if Washington provides energy aid, lifts economic sanctions and delists North Korea as a sponsor of terrorism.

"It is a daydream for the USA to contemplate forcing North Korea to lay down arms first under the situation where both are in a state of armistice and at war technically," said a foreign

ministry spokesman said. The comments, carried by the North's official news agency KCNA, came three days after a top US disarmament official urged North Korean leader Kim Jong Il to learn from Libya and abandon his nuclear weapons development.

US Undersecretary of State Mr John Bolton said on Wednesday that lessons learned from Libya's pledge to eliminate weapons of mass destruction can be used in six-nation talks aimed at resolving the North Korean nuclear standoff.

Today, the North Korean spokesman called the US proposal "little worthy to be discussed any longer". He said: "The USA is foolish enough to calculate that such mode imposed upon Libya would be accepted by the DPRK, too."

# Russia warns Georgia

By Vladimir Radyuhin

ND-16  
39/5

**MOSCOW, MAY 2.** Russia warned Georgia of 'catastrophic' implications of any use of force to resolve the escalating standoff with Adzharia as authorities in the rebel province blew up bridges on the border with Georgia to prevent what it said was an imminent attack by Georgian troops. "The situation around Adzharia has recently evoked serious concern," a Russian spokesman said on Sunday. "Signals are reaching here that force may be used against Adzharia." Adzharia's authorities blew up two concrete bridges today over a river separating the province from Georgia.

Adzharia's leader, Aslan Abashidze, described the move as a "preventive security measure." The bridges were destroyed as dozens of buses carrying opponents of Mr. Abashidze headed from Tbilisi towards Adzharia to protest his rebellious policies.

THE HINDU 3 MAY 2004

# Russia's economic diplomacy

By Vladimir Radyuhin

*Moscow is using energy, the most powerful weapon at its disposal, to build its economic and political clout.*

RUSSIA'S UAZ Automotive Factory has set up a joint venture with an Indian company to assemble famous Ural off-road trucks and buses in West Bengal; two Russian power firms tied up with India's Soma to build a hydropower station in Arunachal Pradesh; Silovye Mashiny corporation signed a contract to supply Russian electric turbines to NTPC (National Thermal Power Corporation). These are but a few recent examples of growing interest Russian business takes in Indian and other foreign markets.

Encouraged by Russia's re-emergence as a global political player and boosted by five straight years of economic growth after a decade of decline, captains of Russian business have entered the path of international expansion.

The Norilsk Nickel giant last month laid out \$1.16 billion to buy a 20 per cent stake in South African gold miner, Gold Fields, which has 4.3 million ounces of annual gold production and 84 million ounces of mineral reserves. A month earlier, Tatarstan's Tatneft oil major snapped up Turkey's Tupras, which controls 87 per cent of the country's refining capacity, for \$1.3 billion.

More investment projects are in the pipeline. Russia's natural gas monopoly, Gazprom, has teamed up with GAIL India Ltd. to develop offshore gas fields in the Bengal basin, the Russian premium telecom corporation, Sistema-Telecom, is ready to sink \$1 billion in Indian mobile telephone industry, while the aluminium giant, RusAl, is waiting to pounce on the National Aluminium Company (NALCO) when its disinvestment plan is reactivated.

The President, Vladimir Putin, told the nation that Russia was still facing a win-or-die battle it had fought in the Cold War, even if the rules of the game had changed.

"There is a tough, competitive battle going on in the world," Mr. Putin told the country in his annual teleconference in December. "As different from the past, this battle has moved from the realm of military conflict to economic competition." Accordingly, Mr. Putin has recast Russia's foreign policy priorities, charging the Foreign Ministry with the overriding task of helping Russian business abroad. The move has won the praise of Russian businessmen.

"I think there is a gradual revolution taking place in foreign economic relations," said Mr. Kakha Bendukidze, co-owner of Silovye Mashiny,

which won the electric turbine tender in India earlier this year. "There is a growing recognition in the Foreign Ministry and in the Economic Development and Trade Ministry that they need to support Russian businesses abroad, including attempts to make investments outside Russia."

For the first time in more than a decade the Russian Government has set aside a modest \$500 million in state guarantees in this year's budget to support exports. In a more significant move, a new law will come into force this summer that simplifies rules for transferring cash out of the country for investment purposes.

The first stage in Mr. Putin's global expansion plan is to win back the former Soviet states. As the U.S.-led NATO moves troops to Russia's borders, Moscow is pushing to reassert its domination in neighbouring markets. It wields the most powerful weapon at its disposal, energy, being either the sole supplier of oil and gas to ex-Soviet republics or providing the only route for their energy exports to outside markets.

The state-controlled electricity monopoly, United Energy Systems (UES), has brought under control four-fifths of Armenia's hydroelectric power capacities and bought up most of Georgia's energy facilities. The UES has acquired stakes in electricity assets in Kazakhstan, is about to buy major stakes in 10 of the 27 Ukrainian energy companies, and plans to participate in the disinvestment of power assets in Moldova. In Kyrgyzstan, UES has set up a joint venture with two local companies to build a cascade of two hydropower stations on the Naryn River in the mountains that will meet the electricity needs of Kyrgyzstan and other Central Asian states.

"We have very aggressive plans that cover most countries of the CIS (Commonwealth of Independent States)," the UES chief, Anatoly Chubais, said in a recent interview.

Russia's Gazprom controls practically all natural gas flows to and from former Soviet republics. Even energy-rich Azerbaijan imports from Russia over half of its gas needs to the tune of 4.5 billion cubic metres. Earlier this month, Gazprom signed a deal with Uzbekistan to develop a major gas field in that Central Asian republic that could entail an invest-

ment of \$1.4 billion in Uzbekistan's energy sector. In January, Russia's oil major, Lukoil, signed an accord for the investment of \$3 billion into joint development of Kazakhstan's oil and gas fields in northern Caspian.

Russia's aggressive economic expansion is reflected in growing mutual trade with the Commonwealth of Independent States (CIS), which unites 12 out of 15 former Soviet states. Russian trade with CIS registered a 30 per cent hike last year, increasing at a higher pace than with other countries. This helps Russia resist Western attempts to weaken its positions in the former Soviet Union. Earlier this month, Kazakhstan's Ambassador to Russia said his country planned to increase oil exports to and across Russia from the current 20 million tons a year to 250 million tons by 2020. In other words, Kazakhstan will pump all its oil exports through Russian pipes, making the U.S.-pushed \$3.6-billion Baku-Tbilisi-Ceyhan (BTC) pipeline a profit-losing project, as Azerbaijan admittedly does not have nearly enough oil to fill the pipe.

Russia's Minister for Industry and Energy, Viktor Khristenko, described the Russia-driven integration of energy systems in the former Soviet states as "an instrument of solving political issues in the CIS."

Ukraine's political elites may have declared a strategic choice in favour of Europe, but the country's economic interests push it towards Russia. According to some information, Russian investors control about 80 per cent of Ukraine's oil refineries, practically all non-ferrous industry, a quarter of privatised electricity companies, half of cell phone operators and 30 per cent of dairies. By the time Ukraine is ready to join NATO and the European Union, most of its industry will belong to Russian business.

Russian expansion into neighbouring economies has been a major factor behind Moscow's successful efforts to push reintegration plans in the former Soviet Union. Even Ukraine, which had long rejected these plans, signed last September a common market pact with Russia, Kazakhstan and Belarus which envisions a customs union, free movement of goods, capital and labour, and unification of tax, monetary and foreign trade policies.

Winning commanding heights in former Soviet economies gives Russia a stepping-stone to expansion beyond the former Soviet borders.

"We are not going to confine our expansion to the CIS," Mr. Chubais said last week. Having restored unified electricity grids with the former Soviet republics, the company now plans to buy assets and export electricity to a total of 12 countries from Norway in the north to Slovakia in the west, Iran in the south, and China in the east.

Energy is the driving motor of Russian expansion. LUKoil, Russia's second biggest oil producer, won the rights in January to develop a potentially huge gas field in Saudi Arabia in a tie-up with Saudi Aramco. The deal strengthened newly emerging links between the world's two biggest oil producers that could give Russia greater leverage in global energy markets. Gazprom, which is the major supplier of natural gas to Europe, is in talks with Ukraine, Germany, France and Italy to set up a gas transportation consortium that will help consolidate Europe's dependence on Russian energy. The energy tool has helped Russia win important trade concessions from the E.U. ahead of its expansion into Eastern Europe next week.

As one analyst put it, "In the old days of the former Soviet Union, Russia's political clout was measured by the 14,000 nuclear missiles it had pointing west; now it's measured by the pipelines it has pointing west."

Russian business has even made first inroads in the U.S. market. LUKoil has bought 2,100 gas filling stations in the East Coast and plans to bring up the number to 3,000 stations, while the steel giant, Severstal, has purchased the Michigan-based Rouge Industries for \$286 million.

A World Bank report released earlier this month concluded that Russia's 23 largest business groups control more than a third of its industry. This is an upshot of Boris Yeltsin's corruption-ridden privatisation deals of the 1990s. However, rather than reverse privatisation or break up monopoly groups, Mr. Putin has instead used them as locomotives of Russia's expansion to global markets under government control. Oversees acquisitions may eventually transform Gazprom, LUKoil, Norilsk Nickel and other Russian industry tycoons into multinational corporations. This fits into Mr. Putin's strategy of building up Russia's economic clout globally and in the former Soviet Union, and convert it to political clout.

# RUSSIA-NATO TIES

SFB  
9/11  
Russia (W)

## Prospects Of Closer Cooperation

By DMITRY TRENIN

Russia-Nato relations can be described as pinpoint cooperation with Russia's persisting complaints about the Nato expansion and possible deployment of US units in the new member countries, in particular Poland and Baltic states. The current relations between Russia and Nato are largely appropriate for the standards and level of Russia-West political interaction. They rest on a firm basis of inter-state cooperation and there are no reasons to forecast their dramatic deterioration or improvement.

### Searching a formula

On the other hand, there are certain contradictions in these relations. The sides' suspicions may increase or decrease, but they will remain a factor. The main reason for this is that Russia and the alliance have not yet found an adequate formula for bilateral relations. The search for it will be one of their main tasks for the next few decades. The task is quite feasible and the sides will sooner or later coin a formula of relations under which they will no longer view each other as potential adversaries.

The main problems in bilateral relation is the possible militarisation of the Baltic states and Poland, but it will be most probably solved because there is no serious reason to assume that the USA wants to surround Russia with military bases. In my opinion, the Russian military will soon stop talking about the growing threat coming from the West.

The problem of the CFE Treaty is connected with Russia's policy in the CIS countries, which is questioned in the West.

*The author is associated with Ria Novosti*

The Western political elite sees the ghost of Russian imperialism, which makes them think that Moscow wants to establish its complete control over the former Soviet countries. But this is a stereotype on a par with the myth of the new encirclement of Russia with US bases. If Moscow upholds its national interests in

certainly worry Russia and engender a negative attitude.

The military-political actions of other Nato countries do not worry Moscow. Her military-political and military-technical relations with such major players on the European political scene as Germany, France and Italy can be described as remarkable



the CIS countries (security and mutually beneficial economic cooperation) without violating the generally recognised norms of international law, Russia-West relations on this issue may be provided with a realistic foundation.

### Remarkable relations

As for potential problems for Russia and Nato, they are connected above all with the actions of the USA, which is using the bloc as a foreign policy tool — meaning the possible deployment of US troops in Poland and the Baltic countries, which will

and her relations with Britain are at the highest possible level.

In this situation, when the Russian political establishment has military-political questions to the USA but not to European powers, Russia-Nato relations will be noted for a selective attitude. And this attitude will depend on its bilateral relations with bloc members.

Despite many difficulties, Russia and the bloc are tackling the Georgian knot rather successfully, while late last year the world still wondered about the effect of the "velvet revolution" in Georgia on the Russia-US

relationship. The next step should be overcoming difficulties regarding Ukraine. If the sides do it this year without serious clashes and without infringing on Russia's vital interests, this will strengthen Russia-Nato relations still further. After that, they should tackle the Belarusian and Moldovan issues, which entails hard work, the success of which depends on close and constructive cooperation.

### Collaborations

However, these problems are rooted in the past and the dissolution of the Soviet Union. The current situation depends on the "Greater Middle East" and the future situation will depend on East Asia. This is where Russia and Nato should shift their attention.

As for the short-term plan of Russia-Nato relations (the second presidential term of Vladimir Putin), Russia will hardly strive to become an associated Nato member. At the same time, the sides will collaborate in peacekeeping operations, missile defence, and several other areas that have been recognised as being useful and promising.

We can also assume that in the next 15 to 20 years, Russia will have a real possibility to become a closer partner of Nato and EU. A modernised Russia, with a growing economy and modern effective and functional armed forces, would be able to collaborate with Nato at a higher level in a number of Eurasian regions.

Moreover, in 10-15 years Russia will most probably become a closer partner of the West in general and the West's attitude to Russia will change. More importantly, attitudes to the West in Russia will improve, too. This trend has a future.

# Russia storm over N-ship

T.A  
24/3  
Moscow, March 23 (Reuters): The head of the Russian navy rang alarm bells today after being quoted saying one of the world's most powerful nuclear warships might be about to blow up.

But Admiral Vladimir Kuroyedov then denied making the comment and said he meant only that the *Peter the Great*, the pride of Moscow's Northern Fleet, was being poorly maintained. Russian military analysts said the incident may have had less to do with an imminent danger than with rivalries among the top brass of a navy struggling to stay afloat on a budget that has been dramatically cut since its Cold War heyday.

Two major news agencies, Itar-Tass and Interfax, quoted Kuroyedov as saying he had ordered the nuclear-powered cruiser back to port and warning that

"it may blow up any minute".

But some hours later, the admiral said he had been misquoted and the agencies' reports were "not true in any way".

"The ship's nuclear safety system is fully tested and meets all vital requirements," he told Tass in his later remarks.

"However, the state of the living quarters and the general state of the ship is unsatisfactory and fails to meet requirements set down by regulations."

He had given the crew two weeks to fix the problems. It was not clear where the ship was. Its home port is near Murmansk on Russia's Arctic coast, close to borders with Norway and Finland. The 19,000-ton Kirov-class vessel has 20 cruise missiles that can be equipped with nuclear warheads.

Designed to challenge the US navy in the Cold War and origi-

nally named the Yuri Andropov after the former Soviet leader, the *Peter the Great* — or Pyotr Veliky — spent years in the dockyard after the Soviet Union collapsed before being finally commissioned, despite concerns over its cost, in 1998.

Declared the Northern Fleet's model ship last year, it plays a key role in manoeuvres in the North Atlantic and has often hosted visits by officials, including President Vladimir Putin.

*Kommersant* newspaper quoted naval sources saying Kuroyedov's decision to recall the ship was motivated by rivalries among admirals, including Kuroyedov and the ship's master, Admiral Vladimir Kasatonov. The Northern Fleet upset Putin last month when three missile tests failed during his pre-election visit.

THE TELEGRAPH

24 MAR 2004

# Putin pushes Russia, China, India triad

Press Trust of India

MOSCOW, March 15. — Russian President Mr Vladimir Putin today won with a landslide victory a second four-year term in office defeating his nearest Communist Party rival Mr Nikolai Kharitonov and immediately announced his intention to further consolidate partnership with India and China.

The 51-year-old former KGB agent, whose re-election was a foregone conclusion, went on television to thank the people for supporting him and said he would defend the democratic principles and a free media while pursuing a foreign policy based on compromise rather than "imperialistic ambitions." "We will not stop with our accomplishments and will strengthen a multi-party system. We will strengthen civic society and do everything to ensure freedom of mass media," Mr Putin, who captured 71.2 per cent of votes defeating five challengers, said. His closest rival Mr

Kharitonov received just 13.7 per cent of the total votes.

Talking about his foreign policy, Mr Putin, who succeeded Mr Boris Yelstin in 1999, also mentioned Russia's intention to further develop its partnership with India and China.

"The goal of Russian foreign policy is not the demonstration of imperial ambitions, but creation of favourable external conditions for the development of Russia.

"We will build a multi-vector foreign policy, work with the USA, Europe, with our Asian partners China and India, since Russia is a European as well as an Asian nation," Mr Putin said responding to a question.

Mr Putin expressed confidence that with the help of new foreign minister Mr Sergei Lavrov, who has a decade long experience of working in the UN, and his predecessor Mr Igor Ivanov, now secretary of advisory Security Council, he will be able to evolve effective mechanisms to pursue this goal.

On the domestic front, he said, he would strive to develop genuine multi-party system in the country and advance economic reforms by adopting, the "golden, middle path".

Mr Putin said he would shortly announce his priorities and a shake up in his Kremlin administration.

When asked about his successor, he said he had started the search for that person four years ago. "He has to be a decent and honest person, willing to serve his country, in Russia we have so many of them." Mr Putin stopped short of naming anyone.

Earlier, in Washington, secretary of state General Colin Powell said the USA "was concerned about a level of authoritarianism creeping back in the (Russian) society." That set off an angry rebuke from the Russian Cabinet chief of staff and a calmer retort from Mr Putin, who said the 2000 Florida election fiasco in the USA showed the weaknesses of the world's oldest democracy.



# Russia defies US on Iran deal

**Moscow, Feb. 12 (Reuters):** Russia said today it planned to sign a deal with Iran next month to ship nuclear fuel for Iran's power plant, defying US pressure on Moscow to sever nuclear ties with the Islamic republic.

Tehran and Moscow have been locked in months of tough talks over nuclear shipments for the \$800 million Bushehr plant Russia has helped to build despite repeated US accusations that Iran is secretly trying to acquire nuclear arms.

"I think in about two weeks all outstanding issues will be settled, that is, by the end of February," atomic energy minister Alexander Rumyantsev said. The minister added that he hoped to sign the final document, which also requires Iran to return spent nuclear fuel to Russia, during a visit to Tehran in late March.

"The US has criticised us and will continue to criticise us," Rumyantsev said. "They say Iran seeks nuclear weapons under the cover of our peaceful technology transfer."

"But we keep telling them they've got that wrong. We think we abide by all international laws." Washington wants Moscow to withhold fuel for the reactor as long as Tehran's nuclear ambitions remain a matter of concern.

Minutes after Rumyantsev's briefing, top US arms control official John Bolton accused Iran of failing to comply with the commitment it made last year to suspend uranium enrichment and of pursuing efforts to acquire nuclear arms.

Iranian foreign minister Kamal Kharrazi said Iran was developing nuclear technology for peaceful purposes and denied

Bolton's weapons charge. "Certainly we are not following any programme to produce weapons," he said in Rome.

Russia's vast arsenal of nuclear technology, accumulated during the Cold War, is also of concern to both Washington and the UN nuclear watchdog as it remains open to theft and, theoretically, black market trade.

There has been speculation that individual nuclear scientists, underpaid since the fall of Soviet rule, may be secretly transferring sensitive technology to what Washington calls "rogue" states for cash.

"We haven't supplied anything to (third parties) but we know what countries have and how they have done this," Rumyantsev said.

"We've offered to share this information with the US. They say they want to investigate things themselves."

## Putin re-election bid

Russian President Vladimir Putin launched his bid for re-election today, saying he had ended "uncertainty and fearful expectation" and promising a better life for millions yet to benefit from postSoviet change.

In a speech broadcast live on state television, he pledged to speed up reforms in his second four-year Kremlin term and provide the basis for a society with western-style social institutions.