

Russia *and the Other* Former Soviet Republics *in* Transition

Postscript 2002

The Former Soviet Union Since 1998: From Putin To September 11

Since the first printing of *Russia and the Other Former Soviet Republics in Transition*, there have been several dramatic twists and turns in the former Soviet Union. From the sharp economic downturn of 1998, to the sudden resignation of Russian President Boris Yeltsin on December 31, 1999, to the entrenchment of authoritarianism in Central Asia and elsewhere, there has been no shortage of evidence that the region is still in the midst of profound transition.

Perhaps the most critical event for the former Soviet republics since 1998, however, happened thousands of miles away from the region. The September 11, 2001 terrorist attacks on the United States significantly altered how the countries of the area interact with the outside world, especially Russia and the Central Asian states. Russian President Vladimir Putin was quick to support the U.S.'s "war on terrorism," moving his country much closer to the West. The Central Asian states were thrust into the global spotlight by the subsequent war in Afghanistan, which borders Tajikistan, Turkmenistan, and Uzbekistan. The Central Asian countries, outside Turkmenistan, have also allied with the West in the fight against terror.

Of course, there are many details behind the major events. Educators interested in Lesson-by-Lesson updates of the essays in *Russia and the Other Former Soviet Republics in Transition* should refer to the "Updates By World Region" on www.southern-center.org. What follows is a brief overview of major developments in the former Soviet republics since the initial publication of this book.

Russia

Nineteen ninety-eight was a very difficult year for Russia. Heavy debt, unsustainable budget deficits, international financial instability, and the flight of international capital helped spark an economic crisis. The government was forced to declare a moratorium on debt repayment, there was a deep drop in the value of the ruble, and a 4.9 percent decline in economic growth – only one year after Russia's first year of positive economic growth since independence, however small (0.9 percent). But economic recovery followed surprisingly quickly. 1999, 2000, and 2001 all saw positive economic growth. Domestic industry rebounded to replace costly imports, and higher oil prices let the government return to fiscal solvency. The country's vast oil reserves, larger than once believed, hold the potential to give the Russian economy a substantial boost. Nevertheless, Russians still face ongoing economic pain associated with moving from communism to capitalism.

Politically, in an intense and prolonged standoff with the Russian Duma, President Boris Yeltsin fired four prime ministers between March 1998 and August 1999. Vladimir Putin was then appointed the fifth prime minister in 17 months on August 9, 1999. He was immediately tested by a series of terrorist bombings across the country, thought to be the work of radical Islamists from Chechnya. The new prime minister initiated a massive bombing campaign and sent Russian troops back into the separatist republic. The renewed war reduced Chechnya's capital, Grozny, to rubble and forced hundreds of thousands of Chechens to flee their homes.

Amidst political instability, economic hardship, and regional war, President Yeltsin turned in his resignation on the last day of the millennium. This surprising turn of events paved the way for Putin to become acting president. Bolstered by popular approval of his handling of the war in Chechnya, Putin easily won the presidential election of March 2000, Russia's first democratic transfer of power since independence. Since taking the presidency, he has moved aggressively to strengthen and consolidate the federal government's power. Politically charged battles, for example, over the control of independent media critical of Putin, have led some to worry that the Russian president is becoming authoritarian. However, other observers, pointing to the president's efforts to create a more stable and inviting climate for domestic and international business investment, see Putin as a reformer trying to lead his country through a traumatic transition.

Putin's moves after the September 11 tragedy to bring Russia closer to the West and make it an important partner in the "war on terrorism" added to hopes that he is a shrewd reformer. One example of this new connection came in February 2002, when NATO offered to give Russia unique status within the organization. If Russia accepts, it will have a seat in NATO meetings on significant issues of mutual concern, such as peacekeeping operations and the proliferation of weapons of mass destruction. While falling far short of granting Russia full NATO membership, this move was a significant development. Other examples of Russia's shift toward the West include the country's stepped-up efforts to join the World Trade Organization, its negotiations with the European Union (EU) to strengthen their "privileged economic relationship," and its growing relationship with Germany, seen by many experts as Russia's strongest strategic partner in Europe.

At the start of 2002, Putin's approval ratings were over 70 percent.¹ Still, it may be difficult to maintain such high marks given the huge challenges facing the country. While Russia averaged over 6 percent economic growth between 1999 and 2001, economic output is still only two-thirds what it was in 1991.² There are over 300,000 internally displaced Chechens living on the edge of existence and the separatist war continues.³ The country's birth rate has dropped nearly 40 percent over the last decade⁴ and it is estimated that Russia's population will shrink from 146 million to 118 million by 2050.⁵ According to the United Nations, AIDS is spreading faster in Russia than anywhere else in the world.⁶ Organized crime has immense reach throughout the country. Clearly, Putin faces enormous hurdles.

The Other Slavic States: Ukraine and Belarus

In Ukraine economic and political transition continues to be difficult. In some ways Ukraine has gotten stuck midway between communist authoritarianism and democracy, paralyzed by political infighting, corruption, and powerful oligarchs. President Leonid Kuchma claimed victory in the November 1999 presidential election after an electoral campaign that was viewed as seriously flawed by international election observers. Kuchma soon began to implement economic reforms that helped spark Ukraine's first years of economic growth since independence. However, in November 2000, his government was rocked by a sensational scandal when tapes were released that allegedly linked the president to the murder of a muckraking journalist critical of his regime. Large street demonstrations soon followed and the beleaguered president's approval ratings fell into the single digits.⁷ At the start of 2002, resolution of this case, concerns about corruption and authoritarianism, and growing ties with Russia are key issues in this fragile, new nation-state.

Belarus is even more plagued by authoritarianism and mismanagement. Hard-line nationalist President Alexander Lukashenko continues to dominate the country's politics and harass voices of dissent. Opposition rallies against Lukashenko's authoritarian rule have been forcefully suppressed and independent newspapers shut down. In an attempt to oust Lukashenko, opposition parties fielded a single candidate in the September 2001 presidential election. However, Lukashenko claimed an overwhelming victory in this election, which international monitors decried as deeply flawed. Since the election, Lukashenko has jailed several of the country's leading industrial bosses, possibly because they failed to support him strongly enough during the campaign.

The Baltic States

The picture is brighter in the Baltic states of Estonia, Latvia, and Lithuania, each of which has sustained efforts to reorient toward the West. Economic reform efforts continue in all three countries and each has generally shown solid economic growth since 1996. Elections in the Baltic countries remain fair and free. While issues such as battling corruption, strengthening democratic values and the rule of law, relations with Russia, and protecting minorities are still important, the progress made in the Baltic countries has led the EU to maintain its membership negotiations with all three. Each is on track for admission around 2005.

Membership in NATO also remains a key goal and all three countries have continued efforts to build their new militaries according to NATO requirements. In May 2001, the NATO Parliamentary Assembly was held in Vilnius, Lithuania, marking the first-ever gathering of the advisory body on the territory of the former Soviet Union and drawing the ire of Moscow. NATO members are expected to decide who will be asked to join the organization at their meeting in Prague, Czech Republic, in the fall of 2002. Key issues that might forestall the Baltic countries' entry into NATO include remaining concerns about Russian opposition and the readiness of the Baltic militaries to be contributing members of the organization.

The Central Asian States

Authoritarian rule continues throughout Central Asia, even in Kyrgyzstan, which had moved the farthest toward democracy after the fall of the Soviet Union. Basic social and political freedoms – such as freedom of speech, the press, and religion – are severely restricted. While elections continue to be held in the Central Asian countries, voting irregularities and political intimidation are rampant. For example, Kazakhstan's President Nursultan Nazarbayev was reelected with 80 percent of the vote in January 1999, but the election was seen as seriously flawed and Nazarbayev's main political opponent was barred from running.

This poor record on democratization and human rights is not surprising given that, unlike the Baltic states, the Central Asian states have never had Western-style democracies. In addition to establishing democratic systems that respect human rights, key issues facing these countries include slowing the spread of radical Islam, fighting poverty, ending pervasive corruption and the drug trade, keeping relations with Russia on a sound footing, and enduring the severe drought which began in 1999.

Ironically, one ray of hope for the Central Asians came from the September 11 ter-

rorist attacks on the United States. At the start of 2002, there were roughly 1,000 U.S. troops stationed in Uzbekistan. The U.S. and its allies are also building an air base in Kyrgyzstan that will eventually house up to 3,000 troops. The American military presence in Central Asia could last years. In return for allying with the West, the Central Asians seek attention, aid, and security. The new relationships that have developed would have been unthinkable during the Cold War or even on September 10. These relationships may lead to better prospects for long-term stability and progress as the region's transformation continues. On the downside, several of the region's rulers have used the threat of Islamist extremism as a pretext to further suppress opposition.

The Transcaucasus States

Democratization and political reform are also moving slowly in the Caucasus. In Azerbaijan, Heydar Aliyev remains in power. Like leaders in Central Asia, Aliyev is an old Soviet power broker who has weathered the political feuds that emerged after the Soviet Union's demise. Because of poor health, the 77-year-old Aliyev has named his son, Ilham, as his most likely successor. Importantly, the country has extensive contacts with the U.S. because of its strategic importance in the war against terrorism and its oil and gas reserves.

In Armenia, which remains in a frozen conflict with Azerbaijan over the disputed Nagorno-Karabakh region, there are many difficult political and economic questions. President Robert Kocharian's election in March 1998 was strongly criticized by international election observers. Because of war, corruption, and economic stagnation, as much as half of Armenia's population has fled the country since independence. Many of those who remain are unemployed or underemployed.⁸ The difficult political and economic situation in the country was laid bare in October 1999, when gunmen stormed the parliament building and killed Prime Minister Vazgen Sarkisian and seven other top officials.

In Georgia, former Soviet Foreign Minister Eduard Shevardnadze was reelected president in April 2000 elections that were marred by irregularities. As with the other Caucasus states, Georgia faces rampant corruption, weak political institutions, ethnic conflict, and a sense of economic hopelessness and despair. The political climate is further complicated by the war in Chechnya, a republic within Russia that borders Georgia high in the Caucasus Mountains. Chechen bases and supply routes in Georgia, the extent of which are a matter of dispute, have added to tensions with Russia.

A key development in this situation occurred in February 2002. The U.S., prompted by evidence that dozens of al Qaida-linked fighters were hiding among Chechen rebels in Georgia's Pankisi Gorge, announced that it was going to train and supply the Georgian military as part of its "war on terrorism." Russian President Putin welcomed the U.S. effort, saying Russia backs the anti-terrorism campaign in Georgia "no matter who is taking part in it."⁹

Moldova

At the turn of the century, Moldova, the poorest country in Europe with an average monthly salary of around \$30,¹⁰ continues to grapple with economic decay and political reform. After a period of political gridlock, the Communist Party won 71 of the 101 parliamentary seats in February 2001 elections. In April 2001, the parliament elected Communist Party leader Vladimir Voronin as president. Voronin faces many challenges, including resistance to his desires to strengthen ties with Russia and continuing questions surrounding the breakaway region of Trans-Dniester.

Russia and the Other Former Soviet Republics in Transition

The former Soviet world clearly remains in a state of dramatic transition. While this transition is different and unique in each of the region's 15 new states, issues such as strengthening the rule of law, sparking economic development, and adjusting to profound social change cut across the entire former Soviet Union. From the new directions President Putin of Russia is leading his country, to the real changes wrought by the "war on terrorism," as many questions are raised as answers given. Clearly, however, Russia and the other former Soviet Republics remain key actors on the world stage. It is critical that Americans understand this changing region and play a helpful role as it finds its footing in the post-Cold War era.

- 1 "Putin perfects his public persona with a TV phone-in," *The Financial Times*, December 27, 2001.
- 2 As compiled from: IMF, *World Economic Outlook: October 1996* (Washington, D.C.: International Monetary Fund, 1996), p. 177 and IMF, *World Economic Outlook: October 2001* (Washington, D.C.: International Monetary Fund, 2001), p. 205.
- 3 UN Office for the Coordination of Humanitarian Affairs, "Consolidated Inter-Agency Appeal for North Caucasus (Russian Federation) 2002," (Geneva, Switzerland: UN Office for the Coordination of Humanitarian Affairs, November 2001).
- 4 "Drink and Poverty Killing Russian Men in Their Prime," *International Herald Tribune*, December 4, 2000.
- 5 U.S. Census Bureau, "International Data Base: Russia," (Washington, D.C.: U.S. Census Bureau, 2000).
- 6 United States Agency for International Development, "Russia: Situation Analysis," (Washington, D.C.: USAID, May 2001).
- 7 "Ten years after, Ukrainians weigh the achievements of independence," *The Financial Times*, August 24, 2001.
- 8 "Abandoning a Sinking Country," *Business Week*, October 30, 2000.
- 9 "Russia's Putin Endorses U.S. Plans to Aid Georgia's War on Extremists," *The Wall Street Journal*, March 4, 2002.
- 10 "Moldova: Opposition Protests Plan to Make Russian Mandatory in Schools," *Radio Free Europe*, January 9, 2002.