

Big Changes Afoot - But Only After Sochi

By Ivan Nechepurenko

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A model of one of the Sochi mascots on display near Manezh Square, flanked by the State Duma building. **Igor Tabakov**

The number 303 stood Wednesday on a digital clock on Manezh Square that counts down the days to the 2014 Sochi Olympics, and President Vladimir Putin is watching it closely as the government races to make the final preparations for the Games.

But that clock may be counting down to other major events as well. The Kremlin has such a close eye on the games, considered a vital project in boosting Russia's image abroad, that issues ranging from relations with Georgia to a possible shakeup in the State Duma seem to be frozen until after the last medal is given out next February, when they could heat up again.

The Sochi Games, which are set to be the most expensive Olympics in history at a cost of around \$50 billion, may be monopolizing state funds as well, forcing other projects around the country to wait.

"Putin will sacrifice a lot in order not to spoil this opportunity," said Stanislav Belkovsky,

director of the National Strategy Institute, a think tank.

The Kremlin is hoping to hold the Olympics up as a testament to Putin's alleged success in making Russia a modern, powerful country capable of holding such a prestigious event, and it wants to make sure they come off without a hitch, analysts and state officials said.

Just as often happens the year before a major election, the government seems to be bandaging over certain glaring issues for now, including those both directly and indirectly linked to the Games.

One of the main problems critics say the government is ignoring for now in Sochi is official corruption, which many allege is rampant in state spending on the Games.

During a televised visit to Sochi to inspect Olympics facilities in February, Putin bemoaned skyrocketing construction costs and delays in the ski jump, singling out Russian Olympic Committee deputy head Akhmed Bilalov as being responsible for the problems. Bilalov was subsequently fired from his post.

But Bilalov's removal was widely viewed as a publicity stunt to show that Putin was keeping tight control over preparations and as part of a larger political game.

Transparency International's Russia director Yelena Panfilova said she thinks that the government is turning a blind eye to corruption to make sure Olympics facilities are completed on time but that after the Games, heads may roll. "After the games ... one can easily expect large-scale corruption scandals to unfold," she said.

Pause in the Caucasus

Among the officials who may be targeted are members of the elite in the North Caucasus republics that sit in close proximity to Sochi, including Chechen officials who are said to have the protection of the federal government.

Last month, anti-Putin newspaper Novaya Gazeta published a report saying a group of Federal Security Service officers had gone on strike to protest the release of a band of Chechen policemen who had been arrested on suspicion of kidnapping and torturing a Moscow resident.

According to the report, the Chechen cops were members of Chechen leader Ramzan Kadyrov's security team, which experts say enjoys special privileges throughout Russia. (A spokesman for Kadyrov later denied that the policemen were his bodyguards.)

The angry FSB officers were told by their superiors that there had been an order "from the very top" not to touch "Kadyrov's crew until the Sochi Games are over," Novaya Gazeta reported. Federal investigators denied the report.

For decades, Russia has been fighting a violent insurgency in the North Caucasus, which lies just a few hundred kilometers from the Sochi Olympic park, and wants to avoid a flare-up in the region. Putin has made security one of the main priorities for the games, with the FSB set to screen all visitors to the Games.

According to Gregory Shvedov, editor of the <u>Caucasian Knot</u> news agency, a leading source of information on the Caucasus, the Kremlin is putting off addressing numerous issues in the volatile, impoverished region.

"The North Caucasus is full of challenges, and despite the fact that many of them could blow up at any moment, the government has postponed their resolution ... until after the Games are over," Shvedov said.

Things will likely change after Sochi, Shvedov said, adding that there is even a chance that Kadyrov, a staunch Putin supporter, could be replaced. "He has become a very expensive project — at least as expensive as the Olympic Games," Shvedov said.

Media reports have said Kadyrov lives a lavish lifestyle, and Chechnya receives billions of rubles in federal subsidies, more than most other regions.

Another part of the Caucasus where things seem to have been put on hold is Abkhazia, the breakaway region of Georgia whose border sits just a few kilometers away from Sochi.

Abkhazia was recognized as an independent country by Russia following Russia's brief 2008 war with Georgia, and disagreement over its status, as well as that of fellow breakaway region South Ossetia, continues to cause tensions between Russia and Georgia.

Paata Zakareishvili, Georgia's minister for reintegration, said last month that Russia is currently concentrating its energies on hosting the Sochi games, but that as soon as the Olympics are over, it will be more flexible in its negotiations over the regions.

Georgian President Mikheil Saakashvili originally pledged to boycott the Sochi Games, but the Georgian government, now led by billionaire Bidzina Ivanishvili, recently said it would send its athletes after all. Since winning the post of prime minister last year, Ivanishvili has initiated a detente with Russia, although the two countries still do not have direct diplomatic relations.

Shvedov agreed that there might be "progress" with regard to Abkhazia but that it would be mostly a result of Saakashvili's term ending this fall, and he said Russia would still "refrain from making big moves before Sochi."

"Afterwards, if the Games become associated with scandal, Russia could make an effort to improve its relations with Georgia to make a positive impact on its image abroad," Shvedov said.

Duma in Limbo

Back in Moscow, parliamentarians are awaiting possible changes in the Duma.

In recent weeks, many Moscow pundits have suggested that the Duma could be dissolved before the end of its term in 2016, and despite Duma speaker Sergei Naryshkin's assurances that it will not be, several deputies suggested new elections could be called after the Olympics.

Ilya Ponomaryov, a deputy from the Just Russia party and one of a handful of vocal government critics in the Duma, said that lawmakers can already feel the tension and that it

has become difficult to make long-term plans because of the uncertainty.

But Belkovsky, of the National Strategy Institute, said that in the interests of maintaing stability the Kremlin wouldn't take any actions so drastic as dissolving the Duma.

"Putin will avoid making big moves before or after Sochi," Belkovsky said.

The completion of the Games may free up some money for other state projects, but the government already has an array of expensive budget items.

"The problem is that besides Sochi, Russia has already assumed other commitments, some of which are much more expensive, such as the state armaments program." Alexei Devyatov, chief economist of UralSib Capital, said.

One thing that could change following the Games is people's expectations of the government, which Belkovsky said he anticipates will go up given the scale and prominence of the event.

If the government does decide to initiate major changes after the Olympics, the window may be small. Just four years later, in 2018 — the year of the next scheduled presidential election — 11 Russian cities will host the matches of the FIFA World Cup.

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