to Beslan, the newest round of reforms seeks to modify the selection process of individuals to those institutions. The two recent plans seem to be motivated not by current necessity or conflict but rather by an anticipation of future utility.

Essentially, the 2004 reform initiative targeted regional officials who had earned a general reputation for compliance and loyalty to Putin and placed them into the positions of highest authority at the expense of the people's autonomy. Yet even prior to the announcement, however, Putin found ways to interfere with the electoral process in Chechnya, Russia's most troubled republic. In the months preceding the October 2003 regional presidential election, the Kremlin orchestrated the victory of Putin favorite Akhmad Kadyrov by offering one challenger a Moscow post and charging another with petition fraud. Now, Putin has chosen to institutionalize his hold on regional officials in reserving the right to apply the rules of Chechnya across the Russian Federation.

Such consolidation of power among regional officials within Russia provides both short- and long-term benefits. As Putin's approval ratings fall due to scaled-back social programs and slowed economic growth as a result of a decline in oil prices, greater control over the regions could serve as a safeguard against immediate grumblings within the ranks of United Russia. Looking at the situation with a long-term perspective, this consolidation of power might reflect a desire of Putin to maximize the options available to him when his second term expires in 2008.

In theory, three futures exist for Putin after 2008. He may retire from politics like Yeltsin, seek to amend the constitution and remain in power as president, or attempt to retain leadership outside of the presidency. While the first possibility seems least likely—Putin will be only 56 in 2008—the second would require a constitutional amendment authorizing a term extension or permitting him to run again. The liberal Russian analyst Vladimir Pribylovsky has raised this possibility, pointing to recent reforms as evidence that Putin may already be preparing for a constitutional amendment battle demanding regional ratification, but most observers caution against such speculation.

The third, more plausible scenario would have Putin leave the presidency but continue to exert power either as prime minister or as the United Russia Party head. In order to preserve his status, however, Putin would need a compliant United Russia Party and the ability to hand-pick a successor, much as Yeltsin did in choosing Putin in 1999. Indeed, predictions of Putin's intentions, fueled by the most recent round of regional reforms, will increasingly inhabit the minds of Russian analysts, politicians, and citizens. As Nikolai Zlobin of the Center for Defense Information recently concluded, "The most intriguing question is what Putin plans to do after 2008, what power structures he intends to create for himself. And you can be sure that he will." H

EUROPE

Costly Sporting

Greece's Post-Olympic Woes

staff writer
CLEMENT WOOD

To the surprise of much of the world, Greece overcame construction delays, a July blackout in Athens, weak ticket sales, and infamous sweltering summer temperatures to put on a fun and secure show at the 2004 Summer Olympics. But, as predicted by much of the world, the shiny aura of olive wreaths and medals has given way to the hazy, harsh reality of the small Mediterranean country's economic outlook; the government's estimate of the Games' cost, 8.95 billion euro (US$10.83 billion), puts them 4.35 billion euro (US$5.26 billion) over budget and makes the 2004 Olympic Games the most expensive in the 108-year history of the modern Olympics.

The record-setting price of the Games brings an uncertain future for indebted Greece, which sits near the bottom of the European Union's economic ladder. The small Mediterranean country's budget deficit for 2004 is projected at 5.3 percent of its gross domestic product, a figure which would place Greece well above the three percent maximum limit for EU members using the euro currency. Although richer and more developed EU states such as France also exceed the three percent ceiling, they do so to a lesser degree and to much less general consternation, given the much greater relative strength of their economies.

In its public statements about the Games' cost, the center-right New Democracy Party government of Prime Minister Kostas Karamanlis is predictably emphasizing the prestige accrued as justification for the money lost. "There were massive over-runs—this investment is big, but all Greeks should be proud [of the Games]," Finance Minister George Alogoskoufis said after a November meeting with Karamanlis.

Alogoskoufis also said that the 8.95 billion euro price tag did not include "the construction cost of projects completed or sped up to be ready in time for the Games," improvements like Athens' three-year old airport, a new ring road, and a tram line. This announcement came after the former socialist administration, which the New Democracy party defeated in elections last March, promised that the Olympics would not cost much more than 4.6 billion euro. The European Commission's December announcement that Greece had submitted inaccurate deficit data before joining the euro zone in 2001 has dealt another blow to the credibility of Greece's finances.

And the post-Olympics hangover extends beyond the economic realm. The early October crash of a bus carrying seven children to Athens to see the Paralympics, a competition for disabled athletes, has fueled a somber mood in a country once riding high after the relative success of the main event in August.

The Olympics have, however, left behind some undeniably positive public works. It still remains to be seen how useful or cost-effective they will prove to be. Gianna Angelopoulos-Daskalaki, the head of ATHOC, the Athens Games' organizing body, claimed that Greece had built 20 years' worth of new infrastructure in five years. Definite improvements include the Olympic Village, which will become affordable housing, new highways as well as a tram line to the southern beaches that should alleviate Athens' notorious traffic jams, and the installation of tourist-friendly pedestrian walkways around such Athenian classical monuments as the Parthenon.

Less concrete is the promise of the stadiums, which Daskalaki hopes will become recreation centers for the poor neighborhoods in which they are generally situated, and of the main sports complex, which features an attractive park and public spaces designed by Spanish architect Santiago Calatrava. Indeed, large sports facilities are an improvement, but are they an essential one in a country in need of more hospitals and long-term economic benefits that better highways might provide? The question has been hotly debated since Athens was awarded the Games and only time will answer it.

Nevertheless, the success of the Games is undeniable; a total of four billion television viewers watched Greece host the rest of the world for a terrorism-free, blackoutless, entertaining two weeks of memorable athletic performances. Optimists say that the international prestige gained by Greece during the Olympics cannot be translated into monetary terms, whereas pessimists counter by noting that the birthplace of democracy is struggling to maintain its position at the bottom of the EU economy. Lying somewhere between those poles, the truth seems to be that now that the party's over, it is time to clean up the mess. H

MIDDLE EAST

Dynamic Dubai

An Oasis of Growth

associate editor
ERIC LEE

For some, the Middle East offers little of economic and political importance. They view the region with suspicion, seeing it as a breeding ground for terrorists due to radical fundamentalist Islam and the ongoing Israeli-Palestinian conflict. But such a shortsighted and cursory outlook on the Middle East would mean neglecting one of the greatest developments in the region, the city-state of Dubai in the United Arab Emirates (UAE).

Once an outpost for pirates and the pearl trade, this emirate has reinvented itself yet again. Enjoying a political culture that allows for openness and embraces market solutions as a way to think beyond an oil-based economy, Dubai, despite not being a democratic city-state, has been able to leap above its Arab neighbors to become a steadily growing economic powerhouse—one that is both modern and relatively stable.

The United Arab Emirates, created in 1971 after gaining full independence from Great Britain, is a loose federation with each of its seven emirates possessing considerable independence. Until oil was discovered, the city-states were comprised of weak economies. However, due to the insight of the UAE's first ruler, Sheikh Zayed bin Sultan Al Nahyan, who ruled from 1971 until his recent death in 2004, the UAE took the profits from its oil industry and wisely invested in itself, improving the lives of its citizens while promoting stability. Sheikh Zayed ruled as a benevolent dictator, allowing tolerance for other religions and pushed for a moderate foreign policy that allowed the UAE to avoid unrest and economic turmoil.

The moderate political culture that Sheikh Zayed built for his country was tested in November 2004, when he passed