Routledge Handbook of Russian Politics and Society

There are an ever burgeoning number of books analysing the Russian experience, or aspects of it. This Handbook is the first single volume work that gives both a broad survey of the literature as well as highlighting the cutting edge research in the area. Through both empirical data and theoretical investigation, each chapter in the Routledge Handbook of Russian Politics and Society examines both the Russian experience and the existing literature, points to research trends, and identifies issues that remain to be resolved.

Offering focused studies of the key elements of Russian social and political life, the book is organised into the following broad themes:

- General introduction
- Political institutions
- Political economy
- Society
- Foreign policy

Politically, economically and socially, Russia has one of the most interesting development trajectories of any major country. This Handbook seeks to answer questions about democratic transition, the relationship between the market and democracy, stability and authoritarian politics, the development of civil society, the role of crime and corruption, and the creation of a market economy.

Providing a comprehensive resource for scholars and policy makers alike, this book is an important contribution to the study of Russian Studies, Eastern European Studies and International Relations.

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The first twenty years of post Soviet rule have been, in many respects, the most tumultuous period in Russian history. While the Russian Revolution of 1917 marked the beginning of a daring political and social experiment, it was nevertheless an experiment to be carried out in accordance with clear ideological precepts. The same cannot be said of the 1991 Revolution. The Russian state that emerged from the ashes of the Soviet Union had no prescriptive strategy, central dictum or governing idea in place to temper or guide its journey – almost every aspect of political, social, economic, ideological and international endeavour for the new Russia was a site for experimentation, competition, negotiation and, in some cases, consolidation. As a result, Russia’s transformation in the last twenty years has been simultaneously unpredictable, violent and fascinating.

Politically, one of the world’s strongest and most stable political parties was pronounced illegal and disbanded overnight. Soviet authoritarianism made way for shared rule between a president and a weak parliamentary party system. This, in turn, gave way to a strong presidential order as the man who had boldly defended parliament against tanks in August 1991 ordered the shelling of the Russian legislature and the arrest of leading politicians only two years later. While presidential power has been consolidated under two subsequent leaders, Russian politics continues to evolve, characterised at the start of modern Russia’s third decade by a ruling party, a political tandem of president and prime minister, a re concentration of regional power in Moscow, and regular elections often branded free, but rarely considered fair.

In economic terms, the productive capacity of Russia together with its ability to effectively support public welfare and infrastructure collapsed in the early 1990s and shock therapy reforms intended to consolidate the new liberal economic order were characterised by the widespread private seizure of public assets, the immense enrichment of a few and the impoverishment of many. In the new millennium, Russia’s economy has stabilised, due in no small part to a combination of tax reform, high energy prices and the bringing to heel of the country’s oligarchs, but, despite some positive first steps, Russia is still beset by problems of crime and corruption that hamper economic development as well as a lack of diversity and modernisation in many sectors of its economy.

Russia’s profound decline from its status as a world superpower has also brought about monumental change as it adapts to a new role and as other states adjust to the profound geopolitical shift that revolution ushered in. The integrity of Russia’s borders has hitherto been maintained at a heavy cost: two wars have been waged in the breakaway region of Chechnya with numerous fatalities on both sides as a result of military and terrorist operations. A desire to maintain influence over the ‘near abroad’ has also seen Russian troops deployed to areas of Moldova, Tajikistan and Georgia. On a more global level, the Russian state has had to renegotiate its relationship with the world’s great powers – the United States, European Union and China – from
a position of weakness, at the same time struggling internally with questions of national identity and the true place of the Federation in the modern world.

The magnitude and complexity of these changes in Russia has, unsurprisingly, captured the attention of the academic and broader community. Russia’s recent experience has raised questions about how a declining superpower might adjust to its newly diminished role, about the effects and benefits of various types of political change, about the Russian experience of privatisation and market reform, and indeed the optimum sequencing and form of economic and political reorganisation. The merits of a swift ‘big bang’ reform agenda over more gradualist measures, the relationship between ethnic diversity and political change, and the stability of Russian electoral authoritarianism have also emerged as key talking points.

While much has been written on these subjects, it is not often that they have been discussed in terms of the wider experience of post-Soviet Russia and it is unique for so broad an overview of Russian society, economics, politics and international relations to be assembled in one volume. Each chapter in this book is written by an international expert in the field and each subject is explored in a manner that explains the current situation in Russia in historical context, examines pressing theoretical questions and also provides guidance as to further literature available in the area. It is hoped that this book will serve as both a general companion to Russian society and politics, and also a useful preliminary point of departure for those readers wishing to explore particular aspects of modern Russia in more detail.

It has been a pleasure to work with all of the authors of this volume and we would like to thank each for their contribution.

Graeme Gill and James Young
Part I

Introduction
The Yeltsin era of post Soviet Russian politics opened with the new government facing two major structural tasks: the construction of a new political system to replace the single party system of the Soviet period and the building of a new economic system based on free market economics to replace the command system of the earlier era. These two tasks had to be accomplished without any clear plan for their achievement and in circumstances which did not favour such large scale political and economic engineering. Politically it soon became clear that there was no consensus among elites about either the shape of the new polity or how that polity was to be achieved. Central elites were divided over both policy and process, while many regional elites were intent on maximising their power at the expense of the centre. Economically the crisis that had beset the economy in the last years of the Soviet era was exacerbated by the initial reform measures of the new government, resulting in a depression deeper and more sustained than had occurred in the West during the 1930s. It is the great achievement of Yeltsin that, by the end of his presidency, the basis had been laid for a stable political system and a market economy. However, the costs of both of these achievements were significant.

Political reform

Boris Yeltsin’s avowed political aim was to create a democratic system in Russia. Yet the political architecture he confronted remained rooted in its Soviet past. The legislature had been elected in 1990, and although this election had been relatively free, representatives of the old regime in the form of the Communist Party retained a significant place in it. Alternative parties were not well developed, with the result that political life within the legislature remained fluid and somewhat unpredictable. Yeltsin, popularly elected as president in June 1991, possessed a popular mandate more recent than that of the legislature, but he had no presidential party upon which his power could rest and no political machine to carry out his will either in the legislature or in the country more broadly. Certainly there was a constituency in the legislature which could support Yeltsin, but their support was not something Yeltsin could take for granted; he would have to work at consolidating it. Furthermore, the communists, both inside the legislature and outside, were hostile to the president and much of what he sought to do, with the result that throughout much of the decade there was continuing conflict (albeit at varying levels of intensity) at the national level of politics. In addition, many regional political leaders sought to use the slipping of central control associated with the fall of the USSR to reinforce their positions and extract even more power from the centre. This continuing political uncertainty took place against a background of an under developed civil society increasingly characterised by growing popular apathy as the levels of...
involvement in politics that had grown during perestroika ebbed in the face of economic difficulty. The weakness of civil society, reflected most clearly in the underdeveloped nature of both political parties and interest groups, meant that the political conflict was confined overwhelmingly to elite circles, with significant implications for democracy.

Elite political conflict grew from the end of 1991 to a peak in September–October 1993, and then became more stable in the new political system ushered in by Yeltsin following the elections of December 1993. The roots of this conflict were manifold: differences of economic policy, personal antagonisms, institutional ambition and embedded hostility between Yeltsin and many of the communists. But a central plank of the argument was a debate about what sort of political system Russia should have. The communists and many other members of the legislature favoured a parliamentary democratic republic, while Yeltsin wanted a presidential democratic republic. This was in part a debate about whether the parliament should be more powerful than the president, or vice versa. While the conflict went through a number of stages, with at various times both sides seeming to offer compromises which were then either rejected or reneged upon, it reached its apogee in autumn 1993 when Yeltsin unleashed a military assault on the legislature and arrested his parliamentary opponents. While this victory was only temporary, with the communists coming back to become a major political force in national politics in the middle of the decade, it was enough for Yeltsin to be able to impose a new constitutional arrangement upon Russia. The December 1993 election established a new legislature with a much weaker communist presence than there had been before, while a simultaneous referendum adopted a new Constitution written in Yeltsin’s presidential office. This new constitutional structure established a system in which the presidency was the predominant institution (although the new lower house, the State Duma, is not as weak as many commentators have suggested) and thereby consolidated Yeltsin’s position as the most important political figure in the land.

The means of Yeltsin’s victory – the use of military force against the opposition – seemed to augur badly for the future stability of the Russian polity. It seemed to validate the use of force as an acceptable means of resolving political disputes, thereby providing a potential precedent for political actors in the future. However, events have not turned out that way. For the remainder of the Yeltsin era, political conflict remained largely within the channels laid down by the 1993 constitutional structure. There was neither widespread popular mobilisation in the streets (except during election campaigns, and then it was peaceful) nor the resort to arms. It is as though the armed conflict of 1993 caused political elites to look into the abyss of civil strife, to see the dangers, and then to draw back. This does not mean that Yeltsin’s opponents – and the ranks of them expanded over the rest of the decade – ceased to oppose, but rather that they conducted their opposition primarily through constitutional channels. There were three principal such channels. First, there were election campaigns. In the 1995 and 1999 Duma elections and the 1996 presidential election, Yeltsin and his record came under withering criticism. Not only those on the left but many on the centre and right came out with vigorous criticism of the president and his policies, sometimes offering alternatives but often just criticising. Although the elections were neither free nor fair, they were certainly characterised by open debate and criticism, from which the president was anything but immune. Indeed, the effectiveness of this criticism was shown by the communist performance, especially in the 1995 election (see Chapter 9 by Bryon Moraski and Chapter 11 by Luke March). The second channel was within the legislature. Especially within the Duma, Yeltsin and his government were often given a rough ride. Yeltsin and his supporters did not control the lower house, a fact reflected in the large number of laws that were enacted through presidential decrees rather than legislation passing through the house, and this remained an arena in which his opponents were able to use their constitutional powers to oppose him. Third, there was the press. Press freedom has always been somewhat insecure in Russia, but during the 1990s many press outlets
either published pieces critical of the president or adopted an outright anti presidential stance. While civil society may have been underdeveloped, especially in the early part of the decade, the press was free to publish whatever it liked, with the result being a mass media which in many cases adopted a no holds barred approach to publishing. Yeltsin was often the victim of this sort of thing. This means that although Yeltsin had ushered the new political system into being through violent means, that system soon settled down to a tolerable level of regularity of operating which, in October 1993, had seemed highly unlikely. But this does not mean that the system was not without problems.

Throughout his time as president, Yeltsin refused to join a political party. While this may have achieved his aim of remaining above party politics, in the conflictual atmosphere of the 1990s it did not make him appear as a non partisan figure, above politics. Instead it suggested that parties were not major actors in the political system and that the most prominent political actor had no need of association with them, and thereby failed to give a boost to their development. Given the difficult conditions within which the parties were trying to develop, discussed by Regina Smyth in Chapter 10, this failure to promote party development by the president was a factor in the continued weakness of parties. It is not that parties did not emerge; during the 1990s large numbers of parties contested the various Duma elections. But no stable party system developed. Only the Communist Party of the Russian Federation was able to maintain a high profile throughout this period, with many other parties appearing and disappearing from the stage at various times. The parties that did emerge remained weak and ephemeral, with no patterns of regularised action emerging.

The legislature that emerged from the new constitution remained in the president’s shadow, but it was by no means a body which simply did his bidding. Given the strong communist presence in the Duma throughout the decade and the failure of the president to build effective bridges to much of the rest of the assembly, the legislature was often hostile to the president. The chief power that the legislature had was approval of the budget and ratification of the president’s choice of prime minister. The ability of this body to make complications for the president is evident in Yeltsin’s reliance on his decree powers, noted above. It was also clear in the difficulty Yeltsin had in naming Sergei Kirienko as prime minister in 1998. The antagonistic relationship between president and legislature injected an element of continuing instability into political life throughout this period, and although at times the level of conflict escalated, at no time did it approach that of 1993.

This relationship was seriously affected by the idiosyncratic and inconsistent patterns of action by President Yeltsin. Yeltsin successfully built up a presidential administration through which he could both centralise power and exercise it independently of the other elements of the political system. This became a very powerful institution, outside the political control of other political actors and answerable only to the president. Its position as the chief source of advice for the president was rivalled only from the mid 1990s by an informal kitchen cabinet comprising Yeltsin’s daughter Tatyana Dyachenko and a number of leading businessmen. This kitchen cabinet seemed to exercise significant power during the second half of the decade, especially when Yeltsin was incapacitated through illness. Such periods of illness, along with those when Yeltsin suffered from excessive drinking, left a vacuum at the top which political actors sought to exploit and which gave to the political system a certain ambiguity and unpredictability.

There was also a degree of ambiguity in the emergent federal sphere. With the break up of the USSR, a number of the regions of Russia sought to loosen their ties with the centre. As Cameron Ross shows in Chapter 12, Yeltsin responded to this in two ways. First was by reaching agreements with regional leaders which sought to systematise the relationship, chiefly through the mechanism of bilateral treaties. The problem was that the powers accorded to various of the regions differed,
often substantially, thereby creating a situation of asymmetrical federalism. The result was a lack of consistency between laws throughout the country, with in many places local laws actually conflicting with those of the centre. While this created a messy and disjointed federal system, at least it was achieved peacefully. Yeltsin’s second response to attempts to loosen central ties was the use of force in Chechnya.

The government in the republic of Chechnya had throughout the early 1990s been pursuing a course of seeking independence from Moscow, but unlike other regions like Tatarstan which had been willing to enter into negotiations with the federal authorities, the Chechen leadership of Dzhokar Dudaev seemed unwilling to engage in meaningful negotiations. Nor was the Yeltsin leadership seemingly eager to engage in such talks. In December 1994, no longer willing to put up with Dudaev’s independence aspirations, Yeltsin sent Russian troops into Chechnya to try to bring down the government. The result was a bitter, bloody and cruel conflict which lasted until mid 1996. It brought about the destruction of the Chechen capital Grozny, the torture and killing of large numbers of civilians and the effective military defeat of the federal forces. A temporary compromise was worked out, although this broke down again in 1999 when Prime Minister Putin sent the troops back in following bomb outrages in a number of Russian cities. Under Yeltsin’s presidency, the Chechen question was by no means resolved, although the use of force may have acted as a disincentive to other regional leaders who may have thought of pursuing similar independence goals.

The failure of the Russian military in Chechnya reflected a further aspect of political life under Yeltsin: the relative weakness of the state. This was not only a question of the weak institutionalisation of leading political institutions, but also the limited reach of the state into society more broadly. In part a function of political choice (to limit the state in the wake of the overweening power that had been exercised by the Soviet state) and in part of institutional atrophy, the limits of the state’s capacity were reflected in its inability to carry out basic functions within society. The collapse of the social welfare net, the inability to collect taxes, the sharp increase in crime and corruption, and the obvious signs of decay in the military and its discipline were all evidence of the reduced capacity of the state. It was not for nothing that some feared that the Russian state itself might collapse.

These institutional problems were accompanied by an ambiguity in the way in which democratic principles and processes were embedded in the political system. Elections were held broadly to schedule (and in this Yeltsin held out against some of his advisors who tried to persuade him to postpone the 1996 presidential election), and while they were generally classed as free, they were certainly not fair. Development of the party system was hindered by the creation of a “party of power” which enjoyed advantages over those parties not linked with the Kremlin. The growth of inequality and the informal access to political power enjoyed by a few rich businessmen undercut basic principles of democratic governance. And little attempt was made to assist the growth and development of civil society. In these sorts of ways, the Yeltsin administration did little to invest democratic principles with normative authority. But what Yeltsin did do was to erect a new political system with a constitutional basis that formally rested on democratic principles, and in much of his activities he acted in accord with those constitutional provisions. In this way the outlines of the new system were able to develop and grow, and to gain some normative authority, even if in particular instances their spirit was abused. The result was a political system that was animated by broad democratic principles, albeit in practice often moderated by infringements of those principles. But after the violent catharsis of 1993, the system generally functioned peacefully, and its operation was a factor in the general stability of this period.

This record of political achievement cannot be classed as an unmitigated success. A similar judgement applies to Yeltsin’s economic reforms.
**Economic reform**

Yeltsin’s aim in the economic sphere was the creation of a market capitalist society, although generally he did not use the term “capitalist” to describe it. There had been considerable debate in the last year of the USSR about the best means of moving to a market economy, and Yeltsin was persuaded of the merits of the so called “big bang” strategy. This involved the introduction of major reforms within a short space of time, a strategy which, unlike its opposite the more measured or gradual introduction of reforms, was reputed to bring about a short, sharp shock to the economy, which would collapse but would then quickly rise again in a new form. The theory was that the pain would be severe, but it would be short lived and would bring rapid economic success because all one had to do was to clear the way for natural market forces to take over from the dead hand of the state. Not only were many of the assumptions that underlay this process naïve, but they underestimated the importance of institutions for the development of an effective market system. But Yeltsin was attracted to this strategy not solely by its presumed economic benefits, but by what he saw as its political effects: it would lead to the rapid destruction of the power of the large state bureaucracies which were, in his view, reservoirs both of opposition to change and of communist support.

There were four main elements to the big bang strategy: price liberalisation, macro economic stabilisation, privatisation and the internationalisation of the economy. Elements of this strategy were implemented almost immediately, with immediate impact being felt from the price liberalisation which was instituted on 2 January 1992. People’s savings disappeared as inflation rocketed up, large sections of the population were propelled into poverty, attempts to stabilise the ruble were hampered and the economy entered a period of depression from which it only emerged following the economic crisis of 1998. But a main aim was achieved: prices were no longer set by the state. Privatisation, conducted principally through a voucher scheme designed to give workers a share in the ownership of productive enterprises, was instituted, and by the end of Yeltsin’s time in office most of the economy had been passed into non government hands. Attempts were made at macro economic stabilisation, but owing in part to the opposition of the Central Bank for some time, success here was mixed. The situation was similar with the internationalisation of the economy, in that foreign investors did become involved, but their experience was often both unhappy and limited. Nevertheless, the economic reform measures introduced by Yeltsin, even though they were not implemented in full, did bring about the emergence of an economy that rested basically on market principles (see Chapter 22 by Anders Åslund). But this apparent success needs to be seen in terms of its costs.

The first cost was the sharp contraction of the economy. Instead of seeing the liberalisation of prices as an incentive for increasing production and sale of goods, many factory managers saw this as an increased opportunity to rent seek, with the result that production plummeted and prices rose. The general impoverishment not only degraded the lifestyles of the people and placed many of them in situations of severe hardship, it also destroyed the domestic market for goods. Although official unemployment did not reach very high levels, under employment was rife. The failure rate of new firms was high, while the competition from Western companies made it difficult for many Russian concerns to operate profitably. The depression was ended only by a combination of the 1998 crash, which priced many Western goods out of the market and thereby made it profitable for Russian producers, and high international prices for Russia’s natural resources, especially oil and gas.

Privatisation proved to be a double edged sword. While it destroyed much of the control the state had exercised in the economy, at least in the initial stages it did not lead to a vigorous private market sector of production. Reasons for this have been alluded to above. Some initial owners also, however, used their new found ownership to asset strip the company rather than to build up
its productive potential. None of the new owners had any experience of operating in anything like a free market economy, and many were unable to survive in these new conditions. Few had the capital to invest in their new enterprises, and credit remained elusive. But it must also be acknowledged that some did very well out of privatisation, significantly enhancing their wealth, and while in economic terms this may be seen as a positive, politically it was a mixed blessing. Many of those newly enriched Russians generated significant popular antagonism, not only at their wealth but at the way they flaunted it and, in particular, the way it was acquired. In the popular view, this wealth was seen as having been acquired at the expense of the common weal. If in the Soviet period all productive capacity was formally owned by the people, the privatisation of this effectively amounted to the transfer of the people’s assets into the hands of privileged individuals. Privatisation was seen as the transfer of public resources into private hands with no real compensation. This sort of outcome was virtually inevitable given the political opposition to allowing widespread foreign ownership plus the absence of domestic independent sources of capital outside the state structure. Accordingly, those with privileged access to the resources of the old Soviet system were well placed to take advantage of the opportunities that arose with the shift to a market economy. Privatisation by “insiders” was both the perception and the reality. This perception was strengthened by the “loans for shares” scheme of 1995–96 which enabled some wealthy and well connected businessmen to gain control of blue chip state assets at knock down prices because of an agreement with the Yeltsin administration. Not only did this discredit the privatisation programme as a whole, but because of the links between these people (the so called “oligarchs”) and the Yeltsin administration, it helped to discredit the latter also.

Another effect of the economic reforms was that they fed into and exacerbated the political conflicts among elites. The continuing stand off between Yeltsin, on the one hand, and the communists, on the other, was motivated in part by differences over economic policy. Similarly the tensions that existed within the government at various times and the prominence achieved by extremist elements during this decade were all related to economic policy and its effects. It is probable that the increasing levels of popular alienation from politics that became evident during the 1990s were also a function, at least in part, of the effects of the economic reforms. So although Yeltsin’s economic reforms brought about the transformation of the economy, they also had serious negative consequences in the short to medium term. Criminal activity was also important here.

Society

One of the features of contemporary Russia to which many pointed during the 1990s was the high levels of crime. Reports of violent criminal activity were common in the media, while with the new more open conditions in the economy, criminal activity in that sphere escalated as well. While it is not clear how much of the reported crime was a function of increased criminal activity compared with increased reporting, that such activity was a major feature of Russian society is undeniable (see Chapter 17 by Leslie Holmes). The sense of insecurity on the streets was much higher than it had been during Soviet times, while criminal activity in the economy affected not only consumers but particularly the newly emergent business class (and foreigners seeking to become active in the emerging market conditions) as the struggle for property especially in the middle of the decade became both vigorous and violent. One feature of the rise of crime was the emergence of criminal gangs. Many of these had their origins in the labour camps of the Soviet era and some had an ethnic basis, but what they all did was to take advantage of the freer conditions of the post Soviet period, including the weakness of law enforcement agencies. Many of these gangs became involved in protection rackets and they played a part in the struggle over property; for many businessmen, they were the only reliable source of the enforcement of contracts and the
protection of business interests. In this sense, some criminal activity shaded into legitimate business activity, giving the involved criminal gangs an aura of legitimacy.

Linked with such criminal activity was the widespread nature of corruption. The bribery of officials was said to be common, particularly early in the decade, as many argued that the only way to get something done by an official was to pay a bribe. While it is not clear how high such bribery went in the state administration – there were even claims that it involved Yeltsin and his family – at middle and lower levels it was said to be rife. Receipt of permits, minimisation of health and safety checks by government officials on commercial premises, avoidance of traffic fines and gaining entry to prestigious educational institutions were all the sorts of things that were said to be subject to the bribery of officials.

What the extent of crime and corruption did was to emphasise the continuing importance in Russian society of informal contacts and practices. As Elena Ledeneva notes in Chapter 31, the use of personal contacts and informal channels was central to the way people lived their lives. Unable to rely upon formal processes and with the actions of officials seemingly often subject to influence, it was important to be able to tap into personal contacts and established informal ways of doing things if one was to survive. But this not only helped people to survive the difficult economic circumstances, it further undermined attempts to institutionalise the political and economic systems and to introduce the rule of law into society. Who one knew continued to be important in the shaping of people’s life chances; those with contacts were able to get by, those without struggled.

Life chances were also shaped by economics, and under Yeltsin Russian society witnessed a polarisation as the gap between rich and poor reached obscene levels. While much of the population struggled with poverty, reflected in increased levels of begging in the streets of Russia’s major cities in the first part of the decade, a few gained enormous wealth. Personal contacts and corrupt practices were often at the root of such wealth, with some of those involved in business able to utilise insider contacts both to acquire property and to generate wealth. The so-called “oligarchs” were the most obvious examples of this, but they were not alone. This group of the newly wealthy, often referred to as “New Russians”, were ostentatious in the flaunting of their wealth. Many lived an extravagant lifestyle of the sort that the mass of the people could only dream about, and they were the object of much popular derision and hostility. But protected by their security guards and whisked from place to place in motorcades, their paths rarely crossed those of their less fortunate fellow citizens. The gap between rich and poor was palpable, while the economic collapse meant that prior to the revival beginning at the end of the decade, there was little evidence of the emergence of a stable middle class that might bridge this gap.

The widespread nature of poverty fed into the continuing pathologies of Russian society. Low birth rates and high death rates accompanied by low levels of life expectancy fuelled continuing population decline, although this was offset somewhat by the immigration of ethnic Russians from neighbouring countries. Alcoholism remained a major problem, while a series of diseases, like TB, thought to have been eliminated, returned to ravage the population. AIDS became a major cause for concern. These major health concerns were confronted by a society in which the health infrastructure had virtually collapsed, as long years of inadequate investment in hospitals and medical services generally came home to roost. People’s social situation was in many cases exacerbated by the non payment on time of wages, the threat of unemployment (in most cases this was not realised, with under employment being much more common) and the impossibility of buying many goods because of inflation. Despite these hardships, levels of popular protest were low; the society seemed exhausted.

As well as these social ills, many observers also pointed to an ideological vacuum. The collapse of communism eliminated the ideology that had dominated society for more than 70 years as a
viable set of values with wide appeal. In the resultant vacuum, religion made a strong reappearance. As Thomas Bremer shows in Chapter 33, religious belief seems to have become more important for many people than it had been before, or at least the open practice of that belief became more possible. Certainly the Russian Orthodox Church moved into a significantly more prominent place in society than it had had in the recent past, regaining much of the property taken from it under communism and being re-integrated into state rituals. While the same sort of freedom and prominence were not accorded all other religions, freedom of belief was restored under Yeltsin and never seriously called into question.

Such freedom of belief also operated outside religion. Russian society witnessed a proliferation of groups espousing a wide range of views and beliefs. Important among these were a number of right wing nationalist groups, ranging from the pseudo-fascism of groups like Aleksandr Barkashov’s Russian National Unity movement through to Aleksandr Rutskoi’s Derzhava. Mostly small and on the fringes of the political spectrum, these nationalist groups were loud and vigorous in the prosecution of their views, but generally exercised little influence in society. However, they did tap into a theme which had some resonance during the 1990s: Russian nationalism. This had been emphasised by Yeltsin in his conflict with Gorbachev, but received a major fillip with the collapse of the USSR. Loss of their Soviet identity, accompanied by the imperial status that attached to the Soviet Union, encouraged Russians to look to their Russianness as a new form of identification. Yeltsin encouraged this, emphasising a civic sense of identity (Rossiiskii) rather than an ethnic one (Russkii), seeking to use it as a means of strengthening the legitimacy of his regime and gathering support around it. As John Brookfield shows in Chapter 32, while this was more successful under Yeltsin’s successor Vladimir Putin, it did strike a chord within the Russian population in the 1990s. It was also an element in Russian foreign policy.

Foreign policy

The initial way in which nationalist concerns were reflected in foreign policy related to the situation of Russian ethnic minorities in the former states of the Soviet Union. The view in Moscow, and it was a view that was not without foundation in some cases, was that these people were subject to discrimination by the new national governments of the states in which they lived. This position was pressed vigorously by nationalist and communist political forces in Moscow and, given the precarious political balance in the first years of independent Russia, the Yeltsin administration was sensitive to this. Initial Russian relations with these countries were coloured substantially by such considerations, which were also part of the Russian suggestion (subsequently rejected by the West) that Russia should be accorded the right of general peacekeeping in a Russian sphere of influence defined by the boundaries of the former USSR.

Russian nationalism was also evident in what was the major focus of Russian foreign policy, the relationship with the West. Yeltsin and his first foreign minister, Andrei Kozyrev, pursued a policy designed to maintain close and amicable relations with both the United States and the EU, and to achieve integration into the Euro Atlantic world. However, this came under bitter attack from communist and nationalist forces as representing a capitulation to the West and a sacrificing of Russian national interests. This criticism was reinforced by NATO intervention against Serbia (a traditional Russian ally) in the Yugoslav war and the later incorporation of former Soviet satellites in Eastern Europe and the former Soviet republics Estonia, Latvia and Lithuania into the EU and NATO. In response both to the Western treatment of Russia (which many in Moscow believed to be demeaning) and to domestic political pressure, from about the middle of the decade the Yeltsin administration (with a new foreign minister) adopted a more assertive attitude to the West.
However, this remained broadly cooperative and seems to have been much more pro-West than the policy of the Putin regime was to become.

Conclusion

By the time Boris Yeltsin resigned as president on 31 December 1999 and effectively passed the office on to Vladimir Putin, the Russian system had seemingly stabilised. Politically, the institutions established in the Constitution of 1993 had functioned in a more or less regular and constitutional fashion, even if they had been subject to some manipulation by the president and those around him. However, the vehicles for popular involvement in political life were weak, it was not clear that all sections of society were committed to the existing structure, or even that those who were formally thus committed were not averse to manipulating its principles for partisan interests, and the state remained weak. The federal system remained dysfunctional and the Chechen issue, embittered by the use of force, unresolved. Economically, a market system of sorts had been introduced, even if it operated disjointedly, was characterised by high levels of corruption, and the private basis upon which it rested was of dubious legal provenance. By the time Yeltsin stepped down, economic improvement was already under way, although this was less due to positive government policy than to the circumstances of the 1998 collapse. So although there were clear problems with the system he had constructed and the costs were significant, Yeltsin’s achievements should not be under estimated.

What does this mean for Yeltsin as a leader? Throughout much of his career, his approach had appeared to be “crash through or crash”, and this remained a feature of his modus operandi as president. It was not that he was not consultative, but that he seemed willing to consult only with those he trusted, a practice which was likely to limit the range of views to which he was exposed. He was not consistently willing to reach out to opponents, to consult and negotiate with them and reach a consensus position. Convinced of the correctness of the course upon which he was engaged and a conviction politician, he forged ahead when those with cooler heads may have proceeded more circumspectly. As a result he was unable to build a consensus among political elites, remaining overwhelmingly a divisive political figure. The ability to overcome this was central to Putin’s later political success.

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The Putin era

Ronald J. Hill

The rapid rise and staying power of Vladimir Vladimirovich Putin as the second president of the Russian Federation, followed after two terms by his transfer to the position of prime minister, surprised many observers. As Eugene Huskey observed at the start of his presidency (2001, 82), “Few leaders in modern times have risen to power more quickly or improbably than Vladimir Putin. … Putin moved from political obscurity to the presidency of a great nation in little over a year.” After a career in the Soviet state security agency, the KGB, including service in the German Democratic Republic, followed, after the collapse of the Soviet Union, by administrative work in the office of the mayor of St Petersburg, Anatoly Sobchak, Putin moved into the presidential administration in Moscow, was then appointed head of the FSB (successor to the KGB), and then nominated as prime minister by President Boris Yeltsin in August 1999. When Yeltsin announced his retirement on the eve of the new millennium, Prime Minister Putin became acting president, which placed him in prime position to win the presidential election on 26 March 2000; he duly did so and was inaugurated as President of the Russian Federation on 7 May 2000. Derided in the West as a low grade intelligence officer and a tool of the security services, he possessed unsuspected qualities that subsequently allowed him to stamp a formidable mark on the emerging Russia (see Sakwa 2008, 15–17; Putin discusses his early years in Putin et al. 2000).

On becoming president, Putin gained a formidably challenging inheritance, to which he responded with vigour and discipline (for a sympathetic but critical account, see Sakwa 2008). There was an urgent need to bring order, to restore the economy and society to health, and to regain a sense of national self-confidence to allow the Russian nation to attain the global position that its citizens had always felt to be their right.

Solutions

Putin moved swiftly on several fronts: constitutional, security, economic, domestic political and foreign, taking advantage of opportunities that arose, and establishing a kind of personality cult. There were a number of significant errors in his actions, but by the end of his first term as president (2004) the contours of a new Russia were in place; when in May 2008 he handed over to his chosen successor, Dmitry Medvedev, and reverted to the role of prime minister, Russia was markedly different from what it had been at the start of the decade.

Within a month of taking office as president, Putin introduced what were in effect constitutional changes, even though he did not arrange for the formal amendment of the state Constitution: Sakwa (2008, 45, 143) calls this “para constitutional change”. By a decree of 13 May 2000 he established seven federal districts, each covering a number of subjects or constituent elements of
the Russian Federation (provinces, republics, territories, etc.). Their boundaries were very similar to those of the country’s military districts, a fact that hinted at a particular leitmotif of Putin’s rule: his alignment with the security agencies (see below). The federal districts (subsequently increased to eight) were each headed by a representative of the president appointed by him (polpred in the Russian abbreviation), who thereby acquired political authority in the name of the presidency over the various local leaders within their jurisdiction. For Sakwa (2008, 139), “the restoration of coherence in central–regional relations” was a secondary theme in Putin’s statism. An early aim was to ensure that all the regions of Russia made their laws conform with federal law after the legislative free-for-all of the Yeltsin years that had led to a decentralised, even fragmented, state. In that period, following Yeltsin’s exhortation of August 1990 to take as much sovereignty as they could swallow, local politicians had built up enormous power by introducing legislation to suit their own needs and those of their territory, at the expense of internal trade and of coherence in the government of the country as a whole. The authority of the presidency was challenged, and with it the authority of the state, without which Russia faced anarchy and possible disintegration. That prospect was anathema to a president who in 2005 depicted the collapse of the Soviet Union as “the greatest geopolitical catastrophe of the twentieth century” (quoted in Sakwa 2008, 143) – and, it should be added, to most patriotic Russians whose ancestors had proudly built up a nation with global reach.

This was the first element in the establishment of a presidential “vertical structure of power” (or “power vertical”), which gathered authority to the centre in a form of “super presidentialism” (Huskey 2001, 87). Next, he revoked ex officio membership of the Federation Council, the upper house of the national parliament, enjoyed by the governors of the subjects of the federation; this removed their immunity from prosecution and allowed criminality and cronyism to be tackled among Russia’s regional leaders. They were modestly recompensed by membership of the new State Council, comprising the governors, and its presidium, consisting of the polpredy from the seven federal districts. Formally this institution advises the president, and its structure harnesses the expertise of the governors while placing them in a hierarchy in the presidential system. These measures helped to bring to heel the unruly governors, whose position was further reduced by the abolition in autumn 2004 of their direct election: henceforth nominations to governorships would be made by the president for endorsement by the regional authority, which could be dissolved in case of refusal.

Further reforms boosted presidential power. From the 2007 elections to the State Duma, single member districts were abolished, and all deputies were elected on party lists; the threshold for representation was raised from 5 to 7 per cent, pre election coalitions were forbidden, and other restrictions were placed on parties. These para constitutional developments enabled Putin to build up a “party of power” in support of his administration, and weakened opposition groups of the extremes and the liberal centre. Thus, the Communist Party of the Russian Federation, direct successor to the Soviet Communist Party, enjoyed substantial electoral success in the 1990s, as did the nationalist Liberal Democratic Party; their representation declined to 57 and 40 seats, respectively, in the 2007 election. The Agrarian Party, the liberal Yabloko and the Union of Rightist Forces, which had all played prominent roles in earlier parliamentary politics, were obliterated in their representation, joining scores of minor parties that had existed in the past. Just Russia, a left leaning party formed in October 2006 from the merger of other parties, won 38 seats. The dominant party was United Russia, which developed steadily during the decade as the party of power around Vladimir Putin, even though he remained formally outside its ranks until he became its chairman weeks before retiring from the presidency. This organisation, to which most members of the administration belong, was a further element in the creation of the power vertical. It boasts a mass membership approaching two million, and uses its internal procedures – increasingly
reminiscent of the Communist Party of the Soviet Union – to control regional administration (see Slider 2010); these include a project to establish, under the party’s auspices, a “reserve of personnel” as “the country’s professional team” (Yedinaya rossiya 2008). As Slider (2010, 271) puts it, “The source of United Russia’s political power lies in its backing by the Kremlin’s political ‘fixers’, and the Kremlin can, under the right set of conditions, use the party as a tool for attempting to bring regions under control.”

Outside the formal institutions of state, Putin also endeavoured to limit the independence of non government organisations. These exist in their hundreds of thousands, but their capacity to act independently in civil society is severely circumscribed, particularly those with links to the outside world – and especially any that received external funding. Sakwa (2008, 173) sums up these various developments well: “Para constitutional accretions to the constitution were designed to enhance efficacy but in practice undermined the development of a self sustaining constitutional order and the emergence of a vibrant civic culture and civil society.”

A second factor in Putin’s recentralisation of state power was a concerted attack on separatist elements, notably Chechnya, that continued the struggle that the 1990s war failed to resolve. A second war was embarked upon in August 1999 (when Putin was prime minister under President Yeltsin) which continued until October 2007. During that period the capital, Grozny, was destroyed, and much of the republic laid waste; hundreds of thousands of civilians and military personnel were killed, according to wildly varying estimates. From September 2001 this was prosecuted on the Russian side in the name of the “war on terror”, and events inside Russia certainly emboldened the Putin presidency in that regard: explosions in shopping centres and housing blocks in Moscow and other Russian cities in 1999, attacks by Chechen militants on targets in neighbouring Dagestan in the same year, the attack on a theatre in a Moscow suburb in October 2002, and the siege of the village school in Beslan, Ingushetia, on 1 September 2004. These atrocities directed against “Russian” targets in the cause of Chechen independence, which acquired an increasingly Islamic tinge, gave Putin the public support he needed to re-establish firm state authority. This war, according to Sakwa (2008, 228) “was about preventing the disintegration of Russia, and the associated horrors that would entail”; it was a just war, although “too often it was fought unjustly” (Sakwa, 2008, 227). Its longer term impact on Putin’s reputation is ambiguous.

Also ambiguous in their impact – at least in economic and reputational terms – were Putin’s attacks on the disloyal wealthy: his “assault on financial and legislative power” (Huskey 2001, 91) intended to neutralise the oligarchs (Korinman 2008, x; see also Chapter 24 by Peter Rutland). The unethical and in many cases unlawful acquisition of immensely valuable state assets at knock down prices by entrepreneurial individuals in the privatisations of the early 1990s gave vast wealth to a tiny number of players, who used it and their influence to support Boris Yeltsin in his victorious election campaign of 1996. But by further acquisitions, some of them created conglomerates of raw material extraction companies, banks and other financial institutions, heavy industrial concerns and media empires that gave their proprietors real power. If used inappropriately, that could undermine the purposes of democracy and state policy, including the subversion of justice, the frustration of sound economic development, and the coherence of the state. The rich and powerful could evade responsibility by buying the immunity from prosecution conferred by election to the Duma, and using the legislative process in their own interests.

Putin used the heavy handed tax police and other means to challenge leading oligarchs, beginning with Vladimir Gusinsky, whose Media Most empire incorporated NTV, a channel critical of Putin; continuing with Boris Berezovsky, whose interests included Aeroflot, Siberian oil and another television channel, and who had been particularly influential during Yeltsin’s presidency; and culminating in the spectacular attack on Mikhail Khodorkovsky, head of the
gigantic oil corporation Yukos, who was arrested on tax evasion and other charges, tried and
imprisoned, his company broken up and taken over by state corporations (see, inter alia, Sakwa
2009; Sixsmith 2010). Gusinsky and Berezovsky now live in exile. Other oligarchs retained their
wealth and at least some influence, but the Kremlin’s right to set the rules has clearly been asserted
over the business community (Sakwa 2008, 147; Stuermer 2008, 148).

A resurgent economy?

While regaining control over state power, the centre also benefited from a rapid economic
recovery, thanks to a boom in global demand for energy. Russia’s oil and natural gas gave the
Kremlin a source of wealth that could be turned into political power (see Lukyanov 2008). On the
basis of this wealth, Russia the “petrostate” (Goldman 2008; also LeVine 2007) experienced
growth rates of some 7 per cent during Putin’s presidency, doubling disposable income and
allowing significant numbers of citizens to enjoy real consumer wealth for the first time in history.
Average income rose to some US$16,300 by 2008; even so, 15.8 per cent of the population lived
below the poverty line in November 2007 (CIA 2010), indicating that the economy has some way
to go in its redevelopment from the collapse of the Soviet command economy and the unfocused
buccaneer capitalism of the 1990s.

The country is extremely dependent on trade in raw materials – oil, gas, timber – and
armaments. The stability brought by Putin’s regime coincided with rapidly expanding demand
for energy, not only in the advanced industrial world, particularly Western Europe, but also in
China and India. This allowed the Russian state to exploit its ownership of the energy extracting
and trading companies for the benefit of the administration. The development of gas pipelines
towards Europe and towards the Pacific coast has been rapid, as has the involvement of Russian
state companies, notably Gazprom, in the struggle for their development and exploitation.
Gazprom has been seen as “an important instrument for President Putin’s economic and political
ambitions” and “an efficient weapon for wielding pressure and pursuing [Russia’s] power politics”
(Crone 2008a, 189, 190). Putin himself has identified the company as “a powerful political and
economic lever of influence over the rest of the world” (quoted in Avioutskii 2008, 217). The EU
(particularly Germany) seems willing to engage with Russia and rely on it for future energy needs,
notably gas from Western Siberia; a new Baltic Sea pipeline is at an advanced stage of planning.
This evokes security and environmental concerns in Sweden, Finland and the Baltic States, while
Poland and Belarus, no longer the principal conduit for gas supply to the Western European
market, fear blackmail and future crises in relations with Gazprom and the Russian government.
Relations between Russia and Ukraine, Belarus, the Baltic States and Turkmenistan (which
exports gas across Russian territory into Ukraine and thence to Western Europe) are affected by
this vital source of power and influence. Repeatedly, in disputes over the price paid for oil and gas,
Russia has interrupted supplies to Ukraine and Belarus, raising questions about Russia’s reliability
as a trading partner in these commodities. The fact that pipelines to Western Europe pass through
those territories raises multiple risks both for consumers in Western Europe and for the suppliers in
Russia and elsewhere: as Sakwa (2008, 286) has noted, “Russia is as dependent on the EU as the
EU is on Russia for its energy supplies”.

There is a tension between the self-confidence that Russia acquired in exploiting this resource,
the need to present itself as a responsible and reliable economic partner and the apprehension that
purchasers of this vital resource feel, particularly given clear evidence that Russia is not moving
towards liberal democracy such as its trading partners in Western Europe (and their transatlantic
allies) would find more comfortable in a partner. In other resources, too, Russia has moved
steadily to engage as an active global player, raising concerns over the Russian state’s direct
involvement: Putin’s Russia has moved to set up what one observer refers to as “planetary cartels in metallurgy, aeronautics, primary metals and telecommunications”, including vanadium, diamonds and aluminium, through the appointment of relatively young (and obviously capable) heads of conglomerates, individuals close to Putin or supporters of his policies. “The goal in each case is to achieve a dominant position in each sector” (Korinman 2008, xiii).

However, the impact of the recent economic and financial turbulence on demand for these basic products has had severe consequences for the Russian economy, which was one of the hardest hit by the crisis (CIA 2010). Public opinion showed signs of turning against Putin, with demonstrations in March 2010, most prominently in the western exclave of Kaliningrad province.

Social factors

If economic recovery and growth is dependent on the exploitation and sale of energy, other factors also have an impact, above all a rapid decline in population. With 148.3 million inhabitants, in 1992 Russia stood at its highest demographic position; within a decade and a half the number declined by five million (Dumont 2008, 51); Putin himself in 2006 reported an annual decline of 700,000, adding that the situation was “critical” and that raising the birth rate was “a key problem for the whole country” (Putin 2006). Russian society suffers from low fertility rates, and high mortality, particularly among men but also among children and infants. High levels of alcohol consumption and tobacco use, poor mass health care, substandard housing, lack of adequate water supplies, low standards of workplace and road safety, and other controllable factors (Vishnevsky 2008, 95) add to the permanent pressure of a harsh climate that has always made survival in the territory of Russia a challenge: mortality is particularly high in the regions of the most severe climatic conditions – Siberia, the Far East, the North and the North West (Kingkade 1997, 3). A high incidence of cardiovascular disease, plus tuberculosis and AIDS, compounds the problem of morbidity and mortality. Poverty for large numbers, including relatively high unemployment, has added to their vulnerability, although Putin’s government did regularise the payment of pensions and wages for state employees.

In his 2006 “State of the Union” address, Putin acknowledged the multiple causes of low fertility, most remnants of the Soviet period. In response, incentives were introduced to encourage fertility: financial support for children, state finance for working women on maternity leave, assistance with child care expenses for working mothers, improved benefits for foster parents, and other measures to make having children a positive rather than negative experience for women. There were indications of positive effects of some of these policies by 2008, with the highest birth rate for 15 years, a slight increase in life expectancy for both men and women, and a decrease in the rate of population decline (US Department of State 2009).

Even so, reversing a sharp population decline cannot be accomplished within even a few years, since long term effects of previous declines (caused by wars, droughts and similar disasters) repeat their impact and cause fluctuations. The medium term solution to projected labour shortages depends on migration, “the only source of population replenishment in Russia” (Vishnevsky 2008, 98). Putin himself (2007) recognised this need, targeting fellow Russians living elsewhere in the former Soviet Union, who were educated and law abiding and would respect Russian national traditions. Some 11.8 million immigrants had joined the established population of Russia by early 2007 (Vishnevsky 2008, 98), but this was partially balanced by emigration and supplemented by unregistered or illegal immigration, notably in the east. Whether Russia can absorb peoples on whom Russians have traditionally looked with disdain is unclear, yet the country needs immigrants; the slogan “Russia for Russians” and other anti immigrant
expressions may backfire (Mukomel 2008, 167). Without an inflow, Russia faces further steady demographic decline; and encouraging immigration raises foreign policy as well as domestic issues.

Other social problems require urgent attention, including crime and the rule of law, spectacular social inequalities in the new Russia, and the management of complex ethnic relations. Some became a serious matter in the free for all that accompanied the breakdown of the Soviet system, while the last is a problem that comes with the territory (literally) and was instrumental in the final collapse of the Soviet Union.

While the Soviet Union always had an underlying level of crime and other forms of social pathology, the penetration of society by the regular police (militia) and the political police meant that for decades crime was essentially traditional – petty theft and crimes against the person – plus various forms of economic crime, including some that in a market economy would actually be part of the system: private trade for profit in short supply goods, or activities to ease supplies of necessary materials or components when the state planning and allocation system failed. In the 1980s, spectacular cases came to light involving state officials who had engaged in various fraudulent activities. In the Yeltsin era well placed individuals acquired ownership of valuable state assets, leading to the phenomenon of the oligarchs, who rapidly amassed personal wealth amounting to billions of dollars. The mere existence of these super rich tycoons is an extreme illustration of the wide gap in incomes and lifestyles that has opened up in post Soviet Russia. Pensioners now receive their state payments regularly (compared with the Yeltsin years when many were left virtually destitute and reduced to begging); state workers are now paid regularly, if not generously. But the social distance between those at the bottom and those at the top is vast. The winners enjoy fabled lifestyles of expensive foreign cars, imported haute couture, exclusive clubs and restaurants, foreign travel, ownership of property abroad and elite overseas education for their children; the losers – the bulk of the population – look back in many cases with nostalgia to the security and relative equality of the late Soviet period, even to the Brezhnev years of so-called stagnation. The Putin era may have revived a sense of pride in the Russian state, but did little to restore a sense of social justice.

The wave of serious crime that accompanied the economic transformation – indeed, was part of it – has also been somewhat controlled, without being eliminated. The Russian “mafia” developed quickly and established control over emerging business in the 1990s, demanding protection money, and engaging in arson and murder against those who rejected their pressure. Bankers have been particular targets of hired murderers, as have journalists and public representatives. Moreover, their activities have spread worldwide, and include large scale smuggling, trafficking, protection rackets and other cross border engagements (see Glenny 2008).

These are problems of societal breakdown and transition. A difficulty lies in gauging the extent of the problem, how far it is entrenched in the practices and culture of emerging Russian capitalism, and how effectively the political authorities can tackle the problem. Criminality remains a significant feature of the economy and polity of the United States, which sees itself as the leading economy and democracy in the world. Critics, including the late Anna Politkovskaya, allege that the legal profession is corrupt and open to political pressure to convict or, as often as not, acquit criminals (Politkovskaya 2004), although Sakwa (2008, 157) asserts that “the common image of Russian judges as incompetent and corrupt is very far from the mark”. In practice, the resources available to Russia – technical, manpower, institutional, cultural and psychological in terms of support for state institutions – seem inadequate to the task of bringing democratic constitutional order to a society of vast distances, poor infrastructure and enormous economic and social diversity. A start has been made in the Putin era; but the task is likely to take years, perhaps decades.
Equally, the fraught matter of inter ethnic relations remains an underlying feature that any political authority with responsibility for the territory must manage. The wars in Chechnya are but the most extreme case of an intractable problem. The policy of referring to all citizens of the Russian Federation as ‘Rossiyane’ recognises that the country possesses a multi-ethnic population not all of whom are “Russkie” (ethnic Russians); but that alone does not constitute a policy for the management of a problem that developed as Muscovy extended its reach to the Pacific, the Caucasus and Central Asia over three centuries. The Russian Empire was notoriously seen as a “prison of nations” by Marxists. The Soviet Union itself was consciously created as a means to manage the ethnic diversity of a territory with more than a hundred nationalities (Hill 2008), and the Bolsheviks claimed to have solved this problem. The late 1980s showed the falsity of that claim, and Yeltsin was prepared to exploit ethnicity in his struggle with Gorbachev for control over the state (Hill 2003). The Soviet Union’s collapse barely reduced the scale of the problem. Indeed, in some ways it enhanced it: former Soviet republics, each based on a titular nationality, went their separate ways; but so artificial had been the borders, and such had been the scale of inter-republic migration, that many ethnic minorities found themselves aliens within a new state. The 25 million Russians living in the “near abroad” (meaning former Soviet republics) were given much publicity in the 1990s, but large numbers of non-Russians also live outside their new national state – for example, Ukrainians, Uzbeks or Armenians in Russia, while in Kazakhstan there exist scores of less numerous groups indigenous to the territory of the Russian Federation. The creation of a federal state structure has gone some way to meeting the demand for ethnic self-assertion – one of the factors that precipitated the break-up of the Soviet Union – yet tensions between Moscow and the local capitals have not entirely disappeared; tensions between individual ethnic groups remain. Russians in “ethnic” areas perceive themselves under pressure, and that is something for which Moscow feels responsible. However, the problem is not exclusively one of hostility between Russians and the minor groups (nor was it during the Soviet period); long standing rivalries and resentments between non-Russian groups also place demands on the political system for resolution and management.

The policy of “enlargement”, whereby the number of subjects or constituent elements of the Federation is being reduced (from 89 in the original Constitution to 83 by March 2008, with further mergers intended), has been interpreted as part of nationalities policy, aiming to dilute the significance of minorities by combining them into larger administrative-territorial units in which Russians constitute a majority (Derrick 2009). The creation of the vertical structure of power has likewise been seen by the Bashkir and Tatar peoples of the Middle Volga, supported by Mordvins, as a repetition of Soviet nationalities policy that will destroy Russia (Goble 2009). Clearly, the imperative to hold the state together, which has characterised the Putin era, has not so far permitted a subtle or sophisticated resolution of this issue, which also affects the country’s relations with neighbours and the world.

Foreign relations

The reassertion of Russian statehood, a leitmotif of Putin’s presidency, entailed an adjustment of the country’s external relations. Annoyed at being treated by the West in general as a defeated power following the collapse of the USSR, and even more at receiving lectures on human rights and democracy, Russia under Putin determined to create its own identity and pursue its own interests. This was reflected in the concept of “sovereign democracy” – a way of countering the interference by the West in the name of democracy and liberal economics (Stuermer 2008, 190) – but Russia’s assertiveness in international affairs went further, using whatever tools were at its disposal.
Russia still compares itself with the United States (Stuermer 2008, 188), with which as leader of the Soviet Union it once shared global hegemony, but realities of geography and history dictate complex foreign relationships. Russia under Putin declared its support for the war on terror announced by President George W. Bush following 11 September 2001: that could be used internally to deal with Chechnya. But the expansion of the European Union towards Russia’s borders, incorporating former Soviet republics and allies, was perceived in terms of a zero sum game in which Russia lost. The stillborn Commonwealth of Independent States was losing any relevance by the time Putin took over, and on 17 May 2000, within days of his inauguration, he abolished the ministry for CIS affairs (Putin 2000). Yet concern for the near abroad, in which millions of ethnic Russians now found themselves uncomfortable inhabitants, has exercised the Russian government and led to tensions with Estonia, Ukraine, Georgia, Moldova and other newly independent countries. Even Belarus, which under the quixotic Aleksandr Lukashenko had pushed for a union with Russia, has fallen out with Putin, particularly following his offer of June 2002 to incorporate the six provinces of Belarus as provinces of Russia (see Hill 2005, 14, n. 27). Relations have been normalised to the extent that Belarus has suffered interruptions of Russian fuel deliveries.

Even more strained have been relations with other former Soviet republics, notably Ukraine, Georgia and Kyrgyzstan, which underwent “coloured revolutions” in the middle years of Putin’s presidency (see Lane and White 2009). These “democratising” revolutions attracted strong support, including material, as the West consciously attempted to set those states on a secure independent footing. To Russia this is interference. So called “frozen conflicts” in post Soviet space, in which Russia asserts a national interest, remain a cause of international tension in Moldova (Trans Dniestr), Azerbaijan–Armenia (Nagorno Karabakh) and Georgia (South Ossetiya and Abkhazia). The courting of these new states by the European Union under its “neighbourhood policy” and the involvement of the United States through its international development arm, the United States Agency for International Development (USAID), is seen as a challenge to Russia’s interests. Even the involvement of transnational NGOs, and the support given to Russian partners, is regarded with suspicion and has been restricted.

The West’s encroachment on what Russia regards as its natural sphere of interest is most fraught in the consequences of the expansion of NATO eastwards. The present generation of Russian leaders was brought up to think of the North Atlantic Treaty Organization as aimed at their country, and its configuration in the post Soviet era is unconvincing. The Soviet Union’s former Eastern European allies are now part of this Western alliance, and talk of extending membership to Ukraine and Georgia in 2008 was seen as particularly provocative. NATO actions in Kosovo in 1999, including the bombing of Belgrade, capital of one of Russia’s traditional allies in the Balkans, was extremely offensive to Russia, and plans by the United States to site elements of anti missile defence systems in Poland and the Czech Republic were particularly irksome to Moscow during Putin’s second presidential term.

To defuse tensions and allow dialogue, a NATO–Russia Council was established in May 2002, and under its auspices agreements have been reached on combined anti terrorism measures, joint military exercises and training, the anti drugs campaign in Afghanistan, nuclear non proliferation and other areas of common interest. Yet the practical results have been modest, as both sides have behaved in ways that the other partner views with suspicion. The West is still perceived as hostile, aiming to “encircle Russia and to undermine its international positions” (Crone 2008b, 79).

During Putin’s presidency, Russia operated under a National Security Concept, a Military Doctrine and a Foreign Policy Concept, all adopted in 2000. In pursuit of Russia’s fundamental interests, the state intended to modernise its outdated and degraded military equipment and
overcome the disastrous demoralisation and loss of public confidence suffered by the armed forces over a generation (see Chapter 19 by Dmitry Gorenburg). The accidental sinking of the nuclear submarine Kursk in the Barents Sea, north of Russia’s northern coast, in August 2000, was a disaster as compelling in its implications as the Chernobyl nuclear catastrophe of 1986 – and Putin’s initial offhand response was equally disastrous for his image early in his presidency. The medium term aim is to create a professional army, smaller and more mobile than the traditional conscripted force inherited from the Soviet Union. The Russian armaments industry has been modernised, and arms have become a principal export, including the most modern military equipment, apart from nuclear and missile technology (Stuermer 2008, 105).

Meanwhile, Russia has engaged with its Asian neighbours, notably in the Shanghai Co operation Organization, formed in June 2001, embracing China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan in addition to Russia, plus a number of observers and dialogue partners. Originally set up to reduce tension and resolve territorial disputes in Asia, its remit has expanded to include political, security, diplomatic, economic, trade and other areas. Russia’s role as a power in Asia has also embraced its membership of the Eurasian Economic Community (formed 10 October 2000) and the Central Asian Co operation Organization (which Russia joined in May 2004), and has been given concrete form in the proposed construction of pipelines from Siberia towards the Pacific (Campaner 2008). The depletion of deposits in Western Siberia in the coming decades will enforce a switch in attention to Eastern Siberia and the Far East, possibly involving capital, technology and labour from Japan and China and across the Pacific. In the long term, economic logic may overcome rivalries that have complicated relationships for generations. For the present, though, there are intense rivalries in Asia, where big powers vie for influence and for the allegiance of Central Asian nations that possess significant resources in their own right, and that both Russia and China see as a vital sphere of influence (Whitmore 2008).

In any case, Russia is at heart a European nation: the bulk of its territory lies in Asia, but most of its population – certainly most ethnic Russians – live in the European part of the country, and Putin has repeatedly stressed the “Europeanism” of his foreign policy (Sakwa 2008, 276). The traditional Russian orientation, from at least the early eighteenth century under Peter the Great, was towards Europe. It may not be coincidental that Putin’s origins lay in St Petersburg, the “window on the West”, from where he recruited many leading administrative staff. Symbolic, too, was his choice of that city in which to host the 2006 meeting of the G8 group of industrial nations. Putin’s own experience of living in (eastern) Germany as a Soviet KGB officer, coupled with his knowledge of European languages, helps confirm his belief that Russia is part of Europe. Moreover, he found apparently willing partners in a Germany that is keen to engage in trade and even tie itself to the supply of Russian gas, and in a Britain under Tony Blair – depicted as “my good friend” by Putin (2010) – who quickly moved to engage with Putin as president.

However, a relationship cannot be one sided, and, as Sakwa (2008, 287) notes, “EU–Russian relations … appeared unable to move beyond the stage of ‘dialogue’ towards ‘partnership’”. The expansion of the EU in May 2004 to include the Baltic States, Poland and other former allies of the Soviet Union has brought into the Western camp nations and states whose historical experience has engendered profound suspicion of Russia’s intentions. More widely, Western Europe has reacted with disappointment and even alarm to Russia’s apparent shift – or drift – towards authoritarianism and away from the openness and freedom that Western notions of liberal democracy embody. The growing rift over democratic practices reached a peak with the presidential elections of 2 March 2008, which the Organization for Security and Co operation in Europe (OSCE) refused to monitor (and thereby endorse) because of restrictions allegedly placed upon monitors by the Russian government.
A new authoritarianism?

During Putin’s presidency, as we have seen, much of the power seized by provincial leaders and ultra rich oligarchs was recaptured by the centre. At the centre’s head was a former KGB operative, who appointed individuals from a similar background to leading positions. While Sakwa (2008, 15) asserts that “commentary about Putin being little more than a tool of the security services is wide of the mark”, certain features of rule in twenty first century Russia appear very close to the Soviet way of doing things, and ring alarm bells among liberals and democrats inside and outside Russia (Shevtsova 2001, 145; LeVine 2008). The hounding of “unfriendly” oligarchs, Khodorkovsky the most prominent; the unexplained deaths of journalists, most notably Anna Politkovskaya, a fierce critic of the Chechen war murdered in October 2006; the creation of a party of power that sweeps all before it, while competitors and rivals are denied access to the mass media and even to the electoral process, often on technical grounds that appear spurious to outsiders; the use of riot police to break up what might have been peaceful demonstrations; the fostering of a youth movement, Nashi (Ours), reminiscent of the old Komsomol; reports of bias in the administration of justice, and of collusion with criminality: all these and other features of Putin’s Russia cause disquiet even among observers favourably disposed towards post Soviet Russia. Even more reminiscent of Soviet times is the growing cult of Putin in the media, incidents of which appear even somewhat grotesque (for examples, see White and McAllister 2009). The projection of a heroic president has become a standard feature of the summer media: his early expertise in judo was well known; more recently, he has appeared bare chested riding horses and fishing, and in 2008 shot a Siberian tiger with a tranquilising dart – a modern, “ecological” version of the bear hunting engaged in by Leonid Brezhnev. These images may be nothing more than the photo opportunities presented by leaders of Western democracies. However, combined with other features of his style of rule, his widely quoted expression of regret at the collapse of the Soviet Union, his promotion of a distinct Russian form of democracy, and the heavy use of bureaucratic and more serious means of stifling opposition, the effect is such as to raise questions about the direction of Russia’s development, and its reliability as a long term partner. Moreover, speculation that his move to the prime ministership under his successor President Dmitry Medvedev is a temporary move before a return to power for a longer term (or two) as president, perhaps in 2012, supports suspicions that Putin is no democrat but a Machiavellian schemer (for example, Kryshtanovskaya 2009, 129–33).

Results and assessments

The period of Vladimir Putin’s dominance has brought about a far more coherent structure of state power than he inherited. Russia today is a centralised state with substantial domestic power and authority; authoritarian mini regimes within Russia, such as Tatarstan and Bashkortostan, have been or are being tamed. The country also has much international engagement, through the United Nations, where it is a permanent member of the Security Council, and through many other associations. It also has significant international economic involvement, holding a dominating position not only in gas and oil, but also in other vital resources. This gives Russia enormous influence and power – but it is a double edged sword, rendering the country vulnerable to international economic turbulence. The re industrialisation of Russia on the basis of advanced technology and science has not yet taken place. The military is being modernised and is heading towards professionalisation; the armaments industry is thriving, and with it an international trade in weaponry. Socially, the country suffers from a potentially catastrophic demographic decline, its historical causes compounded by various social ills: Putin and his successor have drawn attention to
these, but their solution is necessarily costly and the introduction of remedial measures bureau
critically slow.

The centralisation of power has been accompanied by political measures that seem at odds with
democratisation. Without secure state power, democracy and an effective market economy
cannot function, and through the presidential power vertical, created in part through para
contitutional innovations, Putin has established the order that Russians longed for after a
generation of unpredictability and misery. But the country is no liberal democracy: it is a
democracy with adjectives, the favoured one being “sovereign” (see Sakwa 2008, 135); this
replaced “managed democracy”, and the manager has undoubtedly been Vladimir Putin, around
whom some kind of cult has developed (a notion that he, understandably, dismisses: Putin 2010).
Competitive party politics scarcely exist; electoral practices fall short of the democratic ideal. The
political culture is not liberal: liberalism unleashed the chaos of the Yeltsin years, which most
Russians wish to forget. The rule of law also seems quite tenuous, with capricious application of
police authority and judges open to political influence (for examples, see Politkovskaya 2004; also
Knight 2008). Putin’s successor, indeed, referred to “legal nihilism” in the country – as did Putin
himself at the start of his presidency: clearly, he failed to eliminate corruption. Opinion varies on
his real intentions: one hostile interpretation identifies the period of Putin’s rise as “The Age of
Assassins” (Felshinsky and Pribylovsky 2007).

However, Putin has not built a neo communist state. While institutions and practices may be
reminiscent of the Soviet order, the goals and ideology are quite different. Statism and nationalism
are central to “Putinism”, and the stability and the fortuitous rise in the value of Russia’s raw
material assets allowed Putin, in the words of one observer, to engage in “organized restoration”
and the “re imperialization” of Russia (Korinman 2008: x).

Putinism, built upon the idea of a strong state, also reflects personalistic politics. The
Constitution gives the president great power, and not everyone agrees that Putin has used that
power wisely or justly. Suspicions remain that Putin’s chosen successor, endorsed by the electorate
on 2 March 2008, is little more than “his master’s voice” or “Putin’s puppet” (Walker 2010). So
close is the relationship between these two leaders that Russians refer to them as a “tandem”: it is
clear that the relationship between the two offices is not what it was when Putin occupied the
presidency. As prime minister since May 2008 Putin has played a far more prominent role than
prime ministers did during his presidency. It is the prime minister, not the president, whose macho
image briefly enlivens the mass media in August each year (in 2010 he was pictured in the cockpit
of a fire fighting plane – Pravitel’stvo 2010). However, as the office holder most directly
responsible for the management of the economy, Prime Minister Putin was the target of
demonstrations in cities across the country, including a ‘Day of Wrath’ on 20 March (Elder
2010), suggesting that, in the continuing economic recession, popular patience that had been
buoyed by an oil fuelled resurgence had waned in the changed circumstances.

There have also been indications that both leaders are sensitive to the need for greater
democratisation, and Medvedev appears to have been a step ahead of Putin in this respect. In
September 2009 he published an article and invited readers’ comments on the way forward for
Russia, as he saw it (Medvedev 2009a). He averred that, while democratic institutions had
stabilised, “their quality remains a long way from ideal”, and “civil society is weak, the level of
self organisation and self administration low”; he added that there is a widespread “conviction
that the state must resolve all problems” – a sign of lack of a sense of efficacy and a remnant of
the inherited legacy. For the first time in history, he suggested, they had an opportunity to show
themselves and the whole world that Russian can develop along the democratic road. He returned
to the themes of that article in his “State of the Union” address to parliament in November, a
whole section of which – frequently punctuated by applause – was devoted to developing civil
society and democracy. As president, Medvedev advanced a range of suggestions concerning the role of political parties and their functioning in the system, raised the question of reforming the electoral system (including electronic voting as a means of eliminating electoral malpractice), and declared, “as guarantor of the Constitution”, that he would “do everything possible to strengthen the institutions of democracy in our country”. This frank acknowledgement of some of the weaknesses of democratic practice in Russia could be read as a gentle rebuke to his predecessors, including the current prime minister, who was also leader of the party of power. The same applies to his video blog of 30 October, in which he stressed the importance of not skating over – still less justifying – the repressions of the 1930s: “there are no justifications for repressions”, he stated unequivocally (Medvedev 2009b). This, too, represented a shift from the tendency of Putin to stress the positive aspects of Soviet development.

Putin himself has remained less enthusiastic about democracy. In June 2010, in an interview on the eve of an official visit to France, when challenged about criticisms of Russian democracy and human rights, he responded by acknowledging that not all is perfect, but in turn challenged the assertions of Western democracies, pointing out that there is no single model of democracy, and that “wherever you point your finger, power always tries to look better than it is in fact”. His explanation for the tardy development of democratic norms in Russia was that, after tsarism, Stalinism and communism, only in the 1990s was there an attempt to build society on different principles and “this takes time” (Putin 2010).

Whether there exists a real difference of emphasis between president and prime minister is unclear. In the same interview, Putin stated that he and Medvedev frequently confer and work out common positions, but refused to speculate on what might happen in the 2012 presidential elections. Presumably there is prior agreement on major statements such as the president’s “State of the Union” address; it is quite possible that Medvedev’s utterances reflect an agreed intention to pursue the evolution of Russian democracy via a strong civil society – a theme also taken up in Putin’s interview in June 2010. This is certainly a team at work, with a possible evolutionary effect on Putin’s thinking.

However, this is largely speculation. The lack of free mass media, with state owned channels serving as the mouthpiece of both president and prime minister, forces analysts to resort to Kremlinology (Knight 2010). For some observers these developments indicate a return to Cold War confrontation (Lucas 2008; but see Lyne 2008). On balance, the world has responded cautiously. Time magazine nominated Putin “Person of the Year” in 2007, while carefully noting that this annual ritual has never implied endorsement. Rather, in the words of its managing editor, “At significant cost to the principles and ideas that free nations prize, he has performed an extraordinary feat of leadership in imposing stability on a nation that has rarely known it and brought Russia back to the table of world power” (Stengel 2007). In June 2010, Newsweek identified “The New Putin”, “souring on Stalin and warming to the West” (Newsweek 2010). Although, the magazine stated, “Russian democracy may remain frozen in deepest ice” (2010, 27), the needs of the economy dictate a rapprochement with the West for trade, capital, technology and expertise.

Putin’s achievement is indisputable, and Russia’s citizens are grateful. But contradictory tendencies can be seen, in turn provoking contradictory assessments. In any case the Putin era is not yet over. History’s verdict cannot yet be delivered.

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Throughout much of the second half of Vladimir Putin’s second presidential term (2004–8), there was considerable discussion about whether he would stand down as president, seek another term in violation of the constitutional provision allowing only two consecutive terms, or change the Constitution to allow him to stand for office once again. Despite his frequent assertions that he would abide strictly by the Constitution, many encouraged him to seek a third term. But Putin stood firm, and on 2 March 2008 his successor, Dmitry Medvedev, was elected as president.

Medvedev was not required to go to a run-off election, winning 70.3 per cent of the vote in the first round. His popularity may seem remarkable for someone who at 42 was still quite young and had spent so little time in the public arena, but he was doubtless buoyed by his association with the very popular Putin. Medvedev had worked with Putin in St Petersburg when the latter had been working for the city’s reformist mayor Anatoly Sobchak, and he had run Putin’s 2000 election campaign. He had been brought to Moscow by Putin when Putin became prime minister, with Medvedev becoming deputy head and then from 2003 to 2005 head of the presidential administration. In 2005 he became first deputy prime minister, with responsibility for the national priority projects that became central to Putin’s programme during his second term. This position gave him some public exposure, but what was more important in his emergence was that he was publicly designated by Putin as his preferred successor and had undertaken to appoint Putin as prime minister if he was elected. This was a promise he kept following his inauguration in May.

Medvedev was a very different type of politician to Putin. Putin had gone from university into the security services (the KGB, serving in East Germany at the time of its fall), then into the administration of the democratic mayor of St Petersburg Anatoly Sobchak before being brought to Moscow. Medvedev was much younger, being 42 when elected president. Also from St Petersburg, he was a trained lawyer with a PhD, and had written a popular legal textbook. He had served with Putin in St Petersburg and the latter had brought him to Moscow. So although he owed his career advancement to Putin, his age (and consequently less exposure to the Soviet system), his lack of a security background and his legal training suggested to many that he might take Russia in a distinctly different, less authoritarian, direction than that of his mentor.

A tandem?

Thirty months into Medvedev’s term, by which time speculation was already rampant about whether Medvedev would run for a second term or whether he would step aside to allow Putin to run again for the presidency, the relationship between president and prime minister remained one about which there was significant public discussion. While analysts pored over their speeches and
statements, trying to discern differences between what they were saying and possible policy conflicts between the two men, most Russians seem to assume that they were working largely together in what has been called a “tandem”. On the few occasions they have discussed the issue, both Medvedev and Putin have emphasised that they are working together and that they discuss issues; and Medvedev has said that he would not run against Putin should the latter run in the 2012 presidential poll. But of course, just because they say they work together does not mean that there are not differences, and being in a tandem does not necessarily mean that they must always agree. What it means is that, when they disagree, those disagreements are kept within bounds (i.e. they do not seep from one policy area to another and thereby both build up and infect the general relationship) and they do not get played out in public.

It is clear that the tandem has changed the rules of Russian politics, both in terms of the standing of the prime minister vis à vis the president and in terms of the spheres of competence of each of these offices. Under both presidents Yeltsin and Putin, the prime minister was a distinctly subordinate figure. It was the president who was the dominant leader, giving the public direction and, more specifically, direct leadership to his prime minister. Except when Yeltsin was ill and, in the absence of a vice president, the prime minister became the leading political figure, the president was always the leader who dominated the political stage. That has not been the case while the tandem has been in power. Putin has been an activist prime minister, not only making speeches at major gatherings but also being shown as a hands on, no nonsense politician who goes to where the problems are and tries to sort them out in an effective fashion. Rather than someone waiting for direction from the president, he appears as a politician who shows initiative, demonstrates leadership and enjoys widespread popularity. Medvedev too gives speeches and reaches out to the populace; like his predecessors he visits different parts of the country and evinces a concern for the problems of his people. But compared with the former presidents, he seems somewhat reduced by the heightened public profile of his prime minister. The contrast was evident in their public images during the fires that gripped much of central Russia in the summer of 2010: while Medvedev was shown in Moscow issuing orders about the suppression of the fires, Putin was seen out in the field with the firefighters trying to do something practical about the crisis. This is the sort of image that Putin has projected since he became president in 2000, so it was not a change for him personally, but it has been a very different profile for the prime minister than that which had prevailed before. He does not appear as the subordinate of the president, but his equal.

The spheres of responsibility also seem to have become less clear since 2008. Broadly speaking, constitutionally the president is responsible for foreign affairs and defence and the prime minister for the economy. This distinction has never been absolute; successive presidents became involved in economic matters whenever they felt the urge, but prime ministers rarely ventured onto the president’s turf. Under the tandem, the distinction seems virtually to have disappeared. Medvedev has been involved in economic matters; his part in shaping and publicly selling Russia’s response to the global financial crisis of 2008–09 is a case in point. But more importantly, Putin has been directly involved in issues of foreign affairs. He has travelled abroad more than his predecessors ever did, but perhaps the most striking instance of his playing a leading role was in the conduct of the war with Georgia in 2008. Putin clearly appeared as an active participant in relation to the conduct of the conflict and the whole relationship with Georgia. He has also been outspoken on questions of the relationship with the West in ways that his predecessors as prime minister generally were not.

This blurring of lines of responsibility also had a personnel dimension, which had implications for any attempt by the new president to build up his own personal power base. Attention has been drawn to the way in which Putin brought to Moscow many people who were not only personally associated with him but who had served in the security services. These “siloviki” were said to
occupy important positions throughout the upper reaches of the power structure in Moscow (Kryshtanovskaya and White 2003; Rivera and Rivera 2006; Chapter 18 by Bettina Renz) and in particular in Putin’s own bailiwick, the presidential administration (see Chapter 7 by Pat Willerton). Many have imputed both a particular policy outlook to these people as well as a personal loyalty to Putin, both as the source of their promotion and as a former member of the security services (Putin’s “once a chekist, always a chekist” quip may be illustrative of this). Upon coming to Moscow, Medvedev also began to bring people who might be loyal to him into positions in the state apparatus; some have referred to these people as “civiliki”. If there was tension between Medvedev and Putin, it is likely that this would be manifested in conflict within the central Moscow political apparatus. There certainly has been some conflict within the Moscow bureaucracies, but how it maps onto any putative Medvedev–Putin tension is not clear. For example, there would be a dilemma for those siloviki promoted into the presidential administration by Putin: would their best interests be served by giving loyalty and support to their former patron who is now not in charge of that administration, or should they give allegiance to their current boss who presumably possesses the power to hire, fire and promote? In any case many of those who worked in the presidential administration while Putin was president would have had Medvedev as the head of that administration, perhaps suggesting that the attribution of loyalty is not as easy as it might appear. At the moment, we just do not know enough about the dynamics of elite politics to be able to say anything definitive about the Putin–Medvedev relationship, except that the public face is perfectly consistent with the two leaders working in harness together. But this does not mean, as noted above, that there cannot be differences.

A Medvedev Programme?

It is certainly the case that a number of Medvedev’s public statements have been consistent with the view of him as more liberal than his predecessor. One recurring theme in his remarks has been criticism of what he calls “legal nihilism”, “contempt for law” and the need for the “supremacy of the law” (Vremya novostei, 23 January and 18 February 2008). He spoke of the need for human rights and freedom as the “supreme value in our society” and the “fundamental role of law [as] the cornerstone of our state and our civil society” (Vremya novostei, 8 May 2008); he sought a strengthening of the court system and of the legal order. A more just and free society, one with the best interests of the people as its focus, resting on the traditional values of Russia was what they were trying to build. He was not averse to praising democracy, with the source of the continued development of the country said to be “personal freedom and the maturity of the democratic institutions and procedures guaranteed by the Constitution”. He affirmed that democracy was the best way forward, but acknowledged, in a theme that had been central to Putin, the importance of a strong state; this was seen as essential for the development of civil society and for protecting and strengthening democratic institutions (Medvedev 2008). Medvedev emphasised the importance of civil society and the independence of the judicial process (Novaya gazeta 39, 15 April 2009). While Putin too had spoken about the rule of law, this theme had been overshadowed by his emphasis upon the strong state. The difference between the two was a nuance, but it was real.

In September 2009 Medvedev had issued a programmatic statement entitled “Forward Russia” (Medvedev 2009). He lauded the virtues of personal self help, of people pitching in to help solve problems, a characteristic which he linked with the development of civil society. In his view, democracy remained the path to the future, with fundamental rights and freedoms protected by law essential. Freedom and civil society had to be created by the people’s own activity; it could not be imported. Economic development was also essential, and – in a precursor of his future call for a programme of “modernisation” – for this the development of high tech industry was necessary.
Medvedev also criticised corruption among officialdom and entrepreneurs who were unwilling to become involved in the development of the country.

Medvedev also discussed the question of the Stalinist repressions in a way which seemed consistently to go further than his predecessor had done. He spoke of the terror as “one of the greatest tragedies in the history of Russia” (www.kremlin.ru, 30 October 2009) and rejected the claim that the deaths of millions caused by terror and false accusations could be justified by some higher national purpose. He declared, there is “no excuse for repression”.

In 2009 Medvedev called for the country to undergo a programme of “comprehensive modernisation … based on democratic values and institutions” (Medvedev 2009a). This involved overcoming “our chronic backwardness, dependence on raw materials exports, and corruption”. The priority for modernisation and technological development was meeting people’s real needs. He favoured some withdrawal of the state from economic activity, for people’s problems to be solved by themselves rather than the state, and for the strengthening of the political system, legal institutions and civil society. He also came out in favour of the multi party system, which he saw as “the most important tool for ensuring the fundamental rights and freedoms of our people, including their exclusive right to power”. The strengthening of democratic institutions, greater transparency in government and the fight with corruption and legal nihilism were fundamental. It was this speech which launched the programme of modernisation which became a key plank in the public message Medvedev sought to project; the technological modernisation of Russia was what he saw his principal responsibility to be. Consistent with this aim was his sponsoring of the Skolkovo Innovation Centre outside Moscow, which was envisaged as the driver of this version of Silicon Valley.

The themes Medvedev raised were not new. Former leaders had raised all of these issues at one time or another, including Putin. However, the force with which Medvedev seems to have projected them and the consistency of his message does suggest a contrast with his predecessor. While Medvedev favours a strong state, he emphasises a strong political system, the rule of law and democracy; not “sovereign democracy”. Civil society seems to have a positive place in his vision of Russia’s future, and in accord with this he emphasises popular initiative and creativity rather than relying on the state for solutions. The tone of his message is different and so is some of the content. But has this been manifested in policy?

A continuation of Putinism?

In terms of practical policy, there has been little substantial change from the Putin presidency, although at the half way mark of Medvedev’s term, there have been some innovations. As Leslie Holmes points out in Chapter 17, Medvedev has launched an anti corruption campaign that seems to go somewhat further than just words. Initiated in mid 2008, this has been directed at (mainly) middle and lower level officials in the Ministry of the Interior, and against the police. This has resulted in dismissals from both bodies and in some cases official charges. This was followed in 2010 by measures to reform the police, including making them a more professional and better paid force, both of which would help in the fight against corruption. So too could the extension in powers given to the security apparatus in mid 2010, although this could also have implications in the human rights area. But it remains to be seen how far such a campaign will extend. Certainly it gives some substance to Medvedev’s comments about corruption and the need for the strengthening of law, but given the size of the problem, it is unclear how effective this can be. Change has also been pursued in the military where attempts have been made to reform and modernise the army, including the shifting of power from military to civilian officials (see Chapter 19 by Dmitry Gorenburg).
In the public sphere, there has been no lightening of pressure on opposition forces. Demonstrations in Moscow have mostly still been either not allowed or broken up, although it remains unclear whether this was mainly due to regime policy or opposition strategy. A change did occur with regard to this in October 2010 following the replacement of long-serving Moscow mayor Yury Luzhkov by Sergei Sobyanin, when protesters were given permission to demonstrate in Triumfalnaya Square where formerly this had been denied. Protest activity has sporadically also broken out in other parts of the country, but this has not been on a large scale. The media has remained in the state it was under Putin’s presidency and, in a highly symbolic move, further charges were brought against the incarcerated businessman Mikhail Khodorkovsky, who, following a trial in December 2010, was sentenced to a further spell in prison. The length of parliamentary and presidential terms has been extended (to take effect from the next election), but despite the rhetoric there has been no effort to make the political system more genuinely competitive. Greater central control also seemed to be asserted in 2010 with the removal of three long-standing regional leaders whose autonomy had bucked the trend of centralism of the power vertical – Yury Luzhkov in Moscow, Mintimir Shaimiyev in Tatarstan and Murtaz Rakhimov in Bashkortostan (see Chapter 13 by Darrell Slider).

Economically, the principal development was the global financial crisis, which hit soon after Medvedev’s election. This had a significant, but temporary, effect on Russia’s growth. As William Tompson points out in his chapter, Russia’s recovery was due in large part to the global economic recovery, but some credit also must go to the Medvedev government. The massive amounts of money generated principally by oil and gas sales that the government had put away in its sovereign wealth fund over the preceding decade gave it significant resources with which to combat the effects of the crisis. While not everything it did had a positive effect, overall its strategy seems to have been successful. One important factor arising from its response to the crisis relates to the state’s role in the economy. Under Putin there had been an expansion of state ownership in key strategic sectors of the economy, and many believed that the global financial crisis offered a perfect opportunity for the continued expansion of that role. However, although some banks in difficulty were nationalised, there was no wholesale expansion of state ownership and the government did not use this opportunity to make the case for increased state involvement on anything but a short-term, crisis basis; indeed, Medvedev advocated a more limited role for the state in the economy.

In foreign policy, the most important development during Medvedev’s presidency was the 2008 war with Georgia (see Chapter 36 by Robert Donaldson). While it is clear that it was the Georgian side which started the conflict, it is also clear that there was significant Russian provocation. In terms of the Russian foreign policy outlook, the war had two primary effects. First, it was a public reassertion of Russian primacy in much of the area of the former Soviet Union, sending a signal to all that it would act forcefully to defend its interests and that it was going to continue to be a major actor in this region. Second, it effectively blunted the momentum that had been building for Ukraine and Georgia to become members of NATO. Both governments had been pressing this case, and there had been considerable sympathy for their views from within the ranks of NATO, especially from the United States. However, the perceived adventurism of the Georgian leader Mikhail Saakashvili seems to have convinced his putative Western backers to moderate their support for membership. This was seen as a major foreign policy victory for the Medvedev leadership in Moscow.

So too was the election in Ukraine of the pro Moscow Viktor Yanukovich in 2010. His election seemed to create a more conducive (from Moscow’s point of view) atmosphere for the negotiation of gas prices, an issue which under former governments had been somewhat fraught. More importantly from Moscow’s perspective, agreement was reached on an extension of the long-term basing rights for the Black Sea fleet in the Ukrainian port of Sevastopol; an agreement
was signed providing for Russian occupancy of the port for a further 25 years, apparently with little offsetting costs for Moscow. This was a major success.

The policy toward the West remained basically unchanged from the period of the Putin presidency: a more assertive expression of Russian interests and views, a projection of Russia into all the major issues on the international agenda, and a desire for a more stable and equal relationship with the West. Part of this seemed to be gained with the signature of a new START treaty in mid-2010, designed to reduce the number of warheads on each side, although not in such a way as to substantially alter the prevailing balance of forces.

In sum, the Medvedev presidency has seen the continuation of the main themes of the Putin presidency, with a more liberal tinge in the tone of what the president says, some positive beginnings in the policy sphere, but nothing substantial achieved. Given the announcement in September 2011 that Putin would stand for the presidency again in 2012 and Medvedev could become the prime minister, the tandem looked likely to continue, albeit with a different configuration as the two leaders swap positions. This also means that the Medvedev presidency would be seen as an interregnum rather than the beginning of a new era.

References
Democracy is a system in which parties lose elections … It is only when there are parties that lose and when losing is neither a social disgrace nor a crime that democracy flourishes … Democracy is a system of processing conflicts in which outcomes depend on what participants do but no single force controls what occurs … The decisive step toward democracy is the devolution of power from a group of people to a set of rules. 

(Przeworski 1991, 10, 12, 14)

Introduction

The “third wave” transitions, to use Huntington’s term (1991), have prompted a renewed interest in problems of democratisation. The fall of communism encouraged political scientists to look again at the theoretical literature on democratisation and to compare the current transitions in the post communist world with earlier transitions in Latin America and Southern Europe (Burnell 2006; Grugel 2006). The insights garnered in the study of the democratisation process elsewhere provide a theoretical framework to study the problem of the reconstitution of central political authority on principles of popular sovereignty, democratic accountability and liberal freedoms (Haerpfer et al. 2009). They also help us understand the decay of authoritarian regimes and the processes of change to new political orders. The early classic works on democratisation retain important insights on processes of comparative regime change (O’Donnell et al. 1986). However, whether this third wave literature has much to offer when political regime change is accompanied by post communist economic transformation, state and nation building, and societal reconstruction remains a moot point (Bunce 1995). Certainly, the early works on post communist transition were strongly ideological and prescriptive, and at the same time imbued by an ethos of capitalist triumphalism (for an exception, see Bryant and Mokrzycki 1994). These works may well have grasped the demands of the early stage of transformation, but it is less clear whether they are of great value as the post communist region became increasingly diverse, regime trajectories ever more complicated and the international system less unipolar.

Two vectors of questions remain current throughout the three decades or more of the contemporary phase of democratisation: the nature of the globalisation challenge and the effect this had on the transcendence of communism; and the role of legacies in the post communist era. Globalisation, among other things, is a new perspective on the old question of particularism versus universalism in the context of modernisation challenges: to what degree can universal principles of modernity and representative government be moderated by native traditions and local specificities? To what degree did the advanced modernity associated with globalisation render the
communist systems even more anachronistic than their early detractors had suggested? As for the role of legacies, most immediately the issue concerns the Soviet era, but also goes deeper to encompass political culture, historical patterns of adaptation and traditional orientations to power and authority.

It is clear that democracy was an over determined ideological but an under determined political project in the early post communist period (Linz and Stepan 1996). The focus on democratisation left out of account national political cultures, geostrategic concerns, economic dependencies and proximity to zones of advanced capitalist democratic development (above all the European Union (EU)). Just as Robert Dahl (1971) preferred to use the term “polyarchy” to democracy, so, too, the use today of the notion of “good governance” in preference to “democracy” tout court is an implicit recognition of the danger of collapsing levels of analysis and imposing models of society devised for one area to another with different political traditions and civilisational concerns. Above all, tailored questions of political order, constitutionalism, state building, social structuration and social justice must play their part in any discussion of democratisation. We do not have to go all the way and suggest that these issues are in some way anterior to democracy, but these questions, together with the problem of the inculturation of democratic norms and practices of good governance, are at least to be treated as equally important. The proliferation of regime typologies reflects the complex reality that put paid to any simplistic deterministic interpretations of the field of comparative democratisation. The degree to which Russia is a “delegative democracy” (O’Donnell 1994), a “competitive authoritarian” system (Levitsky and Way 2010), a “regime system” (Sakwa 1997, 2008, 136–38), or some other kind of semi authoritarian regime remains a matter of considerable dispute.

**Approaches to democratisation**

The very notion of transition raises the question of the degree to which a society can create the conditions for democracy in a situation of rupture with the past. In these circumstances, democracy has to create the conditions for its own existence. Although significant residues of the past remain, the scope of Russia’s transformation ranks with earlier grandiose modernisation attempts and, indeed, has been described as the Bolshevik revolution in reverse (Reddaway and Glinski 2001). A monolithic society was converted into a pluralistic one, its economy was reoriented towards the market, a new sense of republican nationhood was born and the country rejoined the international community as an independent actor. The course of transformation proved more complex than was assumed in the early post communist days. Scholars have accumulated a wealth of experience, much of it hard and painful, about the problems of transition. The reform process itself generated new phenomena that raised questions about the received wisdom of the political sciences and economics. Standard accounts of the transitions from authoritarianism to democracy focus on six clusters of factors.

1 **Preconditions**

One approach has focused on the preconditions necessary for the emergence of stable democracy. The approach examines the dynamics of social and economic change, processes that can be summed up as modernisation (and the obstacles to it), however ambivalent and questionable that term may have become. In numerous studies Seymour Martin Lipset (1959, 1963, 1993) analysed the relationship between the level of economic development and the emergence of democracy, concluding that there remains a positive (but not deterministic) correlation. In a recent re-evaluation of the issue he made a point of direct relevance to the Russian experience: “In
many countries during the 1980s and early 1990s, political democratisation occurred at the same time as a profound economic crisis” (Lipset 1994, 1). Long before the fall of communism Zbigniew Brzezinski (1969, 30, 34) observed:

the effort to maintain a doctrinaire dictatorship over an increasingly modern society has already contributed to a reopening of the gap that existed in pre-revolutionary Russian society between the political system and the society, thereby posing the threat of the degeneration of the Soviet system; … transformation of the bureaucratic communist dictatorship into a more pluralistic political system – even though a system of one party rule – seems essential if its degeneration is to be averted.

Lucian Pye (1990) argued with no less conviction that authoritarian regimes were undermined by modernisation processes.

A crucial test is the impact of modernisation and wealth on the breakdown of communist systems and the process of democratisation. There are tremendous variations between former communist countries in terms of their size, number of population, level of urbanisation, education of population, wealth of population (i.e. per capita income), possession of natural resources (gas, oil, ferrous and non ferrous metals, diamonds, etc.), level of industrialisation and degree of privatised industry. Is it the case that the most modernised countries are the most democratic? The case of Mongolia, a relative success story in terms of democratisation, would suggest that other factors can come into play; in this case, discursive traditions of communal decision making. The connection between modernisation and nationalism is also highly charged, as the wars in former Yugoslavia in the 1990s demonstrated. The relationship between wealth and democracy and the correlation between income per capita and levels of democracy remain contested, as is how these factors correlate with electoral behaviour. The work of Douglass North (1990) has demonstrated that well endowed countries can suffer from poor governance, and that the institutional framework is as much a determinant of development as brute material factors.

Thus the relationship between social factors and the level of democracy has been the subject of sharp debate since at least the time when Lipset published his seminal article on the subject in 1959. The issue was taken up by Andrei Shleifer and Daniel Treisman (2004), who argued that Russia’s economic and political development is typical of a normal middle income country, not that of a gangster or criminal state, and thus akin to Brazil or Mexico, and not Colombia (see also Shleifer 2005). In economic terms Russia was just another middle income country with high dependence on natural resources, like Argentina and Mexico, while in normative terms Russia’s faults were typical of a country at its level of development. This implied that much criticism of the country was ill-conceived. Russia’s flawed democracy, they insisted, was perfectly normal for a country at its level of development, and sustained economic growth would elevate Russia to the lower ranks of developed countries to stand alongside the likes of Poland and Hungary. While acting as a useful corrective to some of the more extravagant criticisms of the Putinite system, this application of traditional modernisation theory neglects the unique challenge facing Russia as it engaged with the challenge of remodernisation, the third attempt (building on late tsarist and Soviet modernisation projects) to combine political and economic modernity to create a viable social order.

2 Cultural factors

Lipset stressed the importance of behavioural patterns in democratisation, and this is the focus of the second approach. The relationship between cultural legacies (in the broadest sense, including political culture) and processes of political reconstitution has become the object of much analysis.
Here the key methodology is opinion polling and other survey techniques that try to establish a relationship between attitudes and political (including electoral) outcomes. More broadly, Robert Putnam (1993) has argued that the key to the establishment of stable political institutions lies in civil society, and specifically in the presence of a “civic culture” in local communities. Between local communities and the national government lie political parties, but no stable party system can emerge until the nascent civil societies take on structure and form.

A subset of broader cultural perspectives is the question of political culture. Political culture has been studied extensively at the macro level and there have also been some good local studies (for example, Petro 2004). The degree to which there is a single national political culture remains contested, given the great ethnic and political diversity across Russia’s eleven time zones. There is also the issue of the stratification of political culture. Alexander Lukin (2000), for example, argues that the liberal and democratic movements learnt how to use Western concepts and practices, but in effect assimilated them to the deeper authoritarian structures of Russian political culture.

### 3 Endogenous transitology: elites and political change

A third approach has focused on the transition process itself. The argument is that the process of transition itself largely determines the success or failure of democratisation. Here “revolutions from above” are contrasted with “revolutions from below” (Hahn 2002; Hough 1997). A major focus for this school is the role of elites and the importance of elite unity, settlements and pacts (Higley and Burton 1989; Burton et al. 1992). This approach focuses on the period after the collapse of the old regime and the problems associated with the consolidation of democracy (Linz and Stepan 1996; O’Donnell 1996). In contrast to the first approach, with its stress on socio economic and other structural preconditions, the second and third approaches stress the role of individual actors and human agency and the ability of elites to “make” democracy work, even where objective pre conditions are unfavourable (Shin 1994). Admittedly, the political culture approach has a tendency to ascribe certain primordial structural characteristics to political actors and society, thus reducing the political autonomy of both.

In the Russian context the role of elites and the former nomenklatura (the office holding elite) is crucial. To what degree have we seen a circulation of elites or elite continuity? What is the political significance of the social reality of elite continuity? In the transition out of communism in 1989–91 Russia at most underwent a partial elite revolution, in which one section (the new Russian based group headed by Boris Yeltsin) ousted the incumbents (the reform minded Soviet group headed by Mikhail Gorbachev). The new Russian elites swiftly consolidated their independence from the social movements that swept them to power. Soviet institutions were renamed Russian ones, and although there was some reform of the security and other ministries, by and large business continued as usual. Thus a fundamental question is whether those countries and regions where the nomenklatura still holds sway are less democratic than places where there has been a “circulation of elites”. In Poland and the Czech Republic outsider dissident elites represented both an alternative government in waiting and a clear break with the past, whereas Russia’s incomplete revolution allowed a reconfigured traditional elite structure to remain in power. There are elements of continuity in personnel and in attitudes, but this was the price to pay for the relatively bloodless and peaceful transcendence of the communist system.

### 4 Crafting democracy

The fourth approach focuses on institutional design. March and Olson (1989) argue that political democracy depends not only on economic and social conditions but also on the design of political
The political science literature on institutionalism can help identify which designs are most appropriate to a country or a region at a particular stage of economic development and how best to “craft democracy” (Di Palma 1990; Lijphart and Waisman 1996; Elster et al. 1998). The importance of institutional factors hardly needs to be stressed. The following are particularly important:

a. The choice of electoral system, with the central focus on the choice between majoritarian or proportional representation, and the balance between the two (Lijphart 1984, 1994). The electoral system is the most defined instrument to shape politics, and thus decisions involving the electoral arrangements are the most important to be made in new democracies. In Russia the new electoral system that was applied for the first time in the parliamentary elections of December 1993 sought to get the best of both worlds by devising a split system: half the State Duma’s 450 members were elected in single member constituencies in first past the post ballots; while the other 225 were elected from party lists in an attempt to allow the proportional representation (PR) system to kick start party formation.

b. The structure of assemblies, above all whether they will be unicameral or bicameral. The formation of the upper house remains problematic even in some mature democracies (Germany, United Kingdom), and is still a matter of sharp contention in Russia’s nascent democracy. The upper house of Russia’s bicameral Federal Assembly, the Federation Council, has (like the US Senate) two representatives from each Russian region, irrespective of its size and population, although in Russia one each represents the executive and legislative authorities. In Russia’s short history as an independent state three systems of selecting senators have been tried, ranging from election, direct participation of the heads of the legislative and executive bodies, to delegation of their representatives, and none has proved satisfactory.

c. The development of political parties and party systems. The development of strong parties and a stable party system is considered one of the essential features of a viable democracy (Sartori 1976; Pridham and Lewis 1996; Ware 1996). Russia again has seen considerable change in this field, beginning with an early burst of “over partification”, with a plethora of groups fighting elections in the 1990s, followed by a considerable thinning of the field by Vladimir Putin’s reforms to party legislation in 2001, and by 2010 only seven registered parties remained.

d. The choice of political system: presidential, semi presidential, parliamentary or some hybrid (Shugart and Carey 1992; Mainwaring 1993; Sartori 1997). There has been a wide ranging debate in recent years about the relative merits of parliamentary and presidential systems (Baylis 1996; Lijphart 1992; Linz 1990). There would appear to be a general consensus that parliamentary systems are more flexible than presidential ones, and more conducive to democratic outcomes. The counter argument in the Russian case is that in a system where there are weak to non existent parties, a strong presidency provides leadership and a point of unity in a fragmented and conflict prone society (Nichols 2000).

e. One of the most important institutional variables is the nature of the state form: federal or unitary. Russia inherited an ethno federal system from the USSR, and in a classic case of path
dependency (where earlier institutional choices foreclose later options) Russia had no choice but to continue with this system: to have repudiated the Soviet legacy in this field would have entailed a genuine revolution, and Russia’s soft transition precisely repudiated revolutionary solutions. Thus Russia inherited 89 regions in 1991 grouped in three main types (ethno federal republics, autonomous regions of various sorts, and ordinary regions, including the capital cities of Moscow and St Petersburg). The result in institutional terms was asymmetrical federalism, and in the 1990s the weakness of the centre allowed this to become a form of segmented regionalism, where the constitutional rules and laws devised by the federal authorities were widely flouted in the regions. Putin’s recentralisation drive was unable to overcome segmentation, although greater uniformity was achieved. Russia remains a federation in institutional terms, but the spirit of federalism – a genuine democratic form of multi level governance – is still lacking.

In short, institutional crafting is a key variable. Different types of political systems have a differential impact on the consolidation of democracy, although it is hard often to separate cause from effect. In other words, for example, is Russia’s strongly presidential system the cause of democratic backsliding, or is the creation of a strong presidency a sensible response to fragmentation and crisis? Equally, is Russia’s stunted party system a result of executive dominance, or is a strong presidency necessary to protect Russia’s tenuous democracy from populist social pressures? As for federalism, its institutions and operation are clearly fundamental to a country such as Russia, but its combination with ethno territorial representation in the 1990s threatened to make Russia a “multi state state”, in which segmented regionalism encouraged the formation of semi sovereign sub national state entities, a process that provoked a counter movement of recentralisation. Clearly the development of democracy requires a (relative) settling of questions of national identity and citizenship. It is of course much more difficult to build democracy where ethnic conflict is endemic or where separatist demands from one section of the society lead to war, as in Chechnya. Standard democratisation theory holds that democracy emerges as a way of regulating deeply held antagonisms and divergent political interests (Rustow 1970), but it takes a readiness for compromise and a willingness to share power to achieve this effect, otherwise violent or authoritarian solutions ensue.

5 Exogenous factors

While the international dimension of democratisation has been well covered in the literature (Pridham and Vanhanen 1994; Whitehead 1996), the intersection of internal reconstitution and external re-aggregation has not yet been the subject of much scholarly analysis. For most third wave democratising countries the fundamental problem has been integration into the existing world economic and political order, and the insertion of international norms into domestic politics. For Russia, and also for China (but in different ways), this dual integration has been fundamentally ambiguous. In Russia’s case, a pattern of dual and partial adaptation is at work. Russia looks to the norms and standards prevalent in the countries of advanced modernity; at the same time, it seeks to root the adaptive process in native discourses and practices. This nativism is not simply an abstraction but reflects certain social and political realities to which the Russian leadership is sensitive. A system of “partial adaptation” emerged, appealing explicitly to Russian political culture while at the same time being shaped and constrained by earlier attempts at adaptation. The strategy of dual and partial adaptation is therefore a delicate balancing act torn by conflicting demands.

The international context is crucially important in any discussion of post-communist transformations, although perhaps with declining force the further east we move. External factors,
including a peaceful international environment and the impact of globalisation, are a powerful element in the development of post-communist governance (Badie 2000). Most of contemporary democratisation theorising has been about the adaptation of transition states to the norms of the contemporary world order, defined as the hegemony of a set of Western-centred universal principles. In particular, the reality and the discursive construction of the challenge of globalisation on the evolution of policy and international relationships is crucial. Nita Rudra (2005), for example, provides robust empirical evidence tracing the way that engagement with the global economy can break down entrenched elite structures and closed political systems, thus enhancing the pluralism that lies at the basis of democratic societies. However, there are cross-cutting variables, and a state’s geopolitical position, together with its geo-economic situation, is of vital importance. Countries situated closest to foreign and global markets clearly have an advantage over those (like Turkmenistan) cut off from markets for their resources.

Universal principles are one thing, but the pitfalls of transforming them into imperatives are another, and the latter process has evoked a cultural reaction to globalisation. As much of the literature in the Islamic world stresses, Islam is not so much an obstacle to democratisation as a form of resistance to militant forms of Westernising modernisation, and this applies to Russia too. In Eastern Europe the international dimension was relatively unproblematic, given the area’s geo-economic proximity to the EU and its relative compatibility with the West. For countries aspiring to EU membership, accession was preceded by a radical reorientation of domestic arrangements to prepare for accession itself. The accession agenda gradually took priority over the transition agenda. The Copenhagen criteria adopted by the European Council meeting in June 1993 stressed the rule of law and stable democratic institutions, as well as respect for human rights and minority rights, as conditions for accession. Democratic conditionality became the core of the EU’s pre-accession strategy, a principle that was given formal status in the Treaty of Amsterdam in 1997. The concept of “Europeanisation” became associated with democracy and good governance, although it was a notion whose credibility grew in proportion to distance from the Western European heartland.

The development of the European Neighbourhood Policy renders the EU an influential new soft power force in areas such as the South Caucasus, potentially transforming the dynamics of international politics in the region, but Russia has excluded itself from the process. It has, though, been a member of the Council of Europe since 1996, and this has exercised a profound influence on the development of the Russian justice system. However, when it comes to security matters, Russia remains an outsider. Some pan-European security agencies (like the Organization for Security and Cooperation in Europe (OSCE)) have extended their influence as far as Central Asia, while others (like NATO) are searching for a viable relationship with former communist protagonists. Following the two enlargements, of March 1999 and March 2004, NATO now nestles against the former Soviet Union, and in the Baltic encompasses three former Soviet states, but Russia remains resolutely excluded.

6 The experiential approach: learning from the transition itself

A sixth approach can be identified, focusing on the experiential factor. Processes of rapid political and social change take place not in the abstract but in specific countries with distinctive histories. Experience in this context takes various forms: the experience of the past and the appreciation, distortion and reconstitution of history; the experience of interacting with others and the constitution of identity and difference; and above all the experience of the transitions themselves, which modify the attitudes and expectations of the people and shape the behaviour of elites. Thus transition can in part be considered an iterative process, diachronic rather than a single longitudinal
act of political reconstitution. Experience is thus not simply the dead hand of the past but a living
and creative process of social reordering. We can also call this reflexive democratisation.

The reflexes, of course, will have a very different resonance depending on the experience of
individual countries. In Russia the main experience has been one of collapse, provoking a backlash
against the whole process of change and elements of a neo conservative restoration. The factors
that led such an apparently strong socio political system like the Soviet Union to fall with a
minimum of resistance haunt the post communist transition. Not only did the social order
dissolve, but the country itself disintegrated. The USSR became a failed state, but whether this
failure was inevitable remains a hotly contested issue. Arching above the issue of democratisation is
the problem of state building itself. Of the 29 post communist countries in Eastern Europe, 23 are
new states, excluding de facto states such as Kosovo, Abkhazia and South Ossetia. Thus there are
many levels of collapse that interact with societies and strata in different ways. Rather than
diminishing, the debate over the nature of the Soviet collapse has in recent years intensified
(Cohen 2009). In the Central European and Baltic states, the collapse was perceived as liberation,
in much of what is now the Commonwealth of Independent States (CIS) area as a tragedy and in
most of the Balkans as a catastrophe.

While for all the other post communist countries the fall of communism was seen as the
moment of liberation, in Russia sentiments are far more ambivalent. Democracy in most other
post communist countries aligned national self affirmation, international economic and political
integration, and democratic transformation along a single axis, but in Russia there was no such
mutual reinforcement. Instead, the irrelation of democracy with other transformations acted as a
permanent irritant. Even worse, the experience of the chaotic transition to the market in the 1990s
disconnected social order from political democratisation. The myth of the chaotic 1990s, indeed,
became the master narrative of the Putin years, a theme taken up by president Dmitry Medvedev
from 2008. The achievements of the decade – the adoption of a liberal constitution, the creation
of a market economy, the containment of political violence (with the notable exception of
Chechnya) within the constitutional framework, and recognition of the independence and
sovereignty of the post Soviet states – have been denigrated. The defects of Russia’s transition
to democracy are glaring, but a glance at the fate of former Yugoslavia shows how much worse it
could have been.

**Evaluating the democratic transition paradigm**

The democratisation agenda has often been used instrumentally in the post Cold War world, and
this has provoked something of a backlash against the whole notion of transition. The language of
democratisation and the tools used to measure achievement can be considered normatively biased.
The common use of the Freedom House Index is a classic example of a set of indices constructed
in such a way as to ensure that certain countries would by definition do well when measured on
that scale. There is no reason why other scales cannot be constructed. One such attempt has been
made by Chris Williams (2006). In his Global Leadership Responsibility Index the United States
lags behind China and Russia. His novel approach to ranking global governance includes the level
of a country’s commitment to international codes on such issues as the environment, corruption
and human rights. A total of 11 factors are taken into account, including the commitment to
international justice, ecological footprint, environmental sustainability and a country’s involve-
ment in aggressive wars. Sweden is at the top of the list, followed by The Netherlands and the
United Kingdom, with the United States in 14th place, just behind China and Russia.

Much of the post Soviet world appears trapped between an authoritarian past and an unclear
future. Against this background Thomas Carothers (2002) announced “the end of the transition
paradigm”. In his view the early work on “transitology” in the 1980s was later adopted as a universal paradigm based on a number of assumptions: “that any country moving away from dictatorial rule can be considered a country in transition toward democracy” (p. 6); “that democratization tends to unfold in a set sequence of stages”, with an opening followed by a breakthrough, with consolidation coming along at the end of the process (p. 7); a belief in “the determinative importance of elections” (p. 7); that structural factors, such as level of economic development, institutional legacies, cultural traditions and the like will not be determining (p. 8); and finally, that the transitions were taking place in viable states (p. 8). By no means all scholars of Russia made these assumptions, but Carothers’s analysis remain a powerful critique of simplistic applications of democratisation models.

Carothers (p. 9), moreover, notes: “Of the nearly 100 countries considered as ‘transitional’ in recent years, only a relatively small number – probably fewer than 20 – are clearly en route to becoming successful, well functioning democracies …” The other countries find themselves in what Carothers calls the “grey zone”. These are characterised by a number of syndromes, including “feckless pluralism”, notable above all in Latin America but not only there, where “the whole class of political elites, though plural and competitive, are profoundly cut off from the citizenry, rendering political life an ultimately hollow, unproductive exercise” (p. 11). Another syndrome is “dominant power politics”, where there is some formal contestation by political groups but a group, “whether it is a movement, a party, an extended family, or a single leader – dominates the system in such a way that there appears to be little prospect of alternation of power in the foreseeable future” (pp. 11–12). He notes that in dominant power systems there is “the blurring of the line between the state and the ruling party (or ruling political forces)” (p. 11), a feature that is characteristic of Russian politics. Russia is at best a “defective democracy”, to use Merkel’s term (2004).

In this context, there has been a considerable debate over the relevance of the transition paradigm, devised primarily for Southern Europe and Latin America, for the Eastern European case (Bunce 2003). Those in favour of area studies argue that the study of the Eastern Europe transitions requires a holistic approach, including languages and cultures, and that the all encompassing nature of the changes makes these transitions “total transitions”, in which all aspects of a society and its international position are transformed, including for many the very state itself. In addition, the legacy argument is particularly important, since communism was more than a political system but a whole way of life (Wydra 2007). It is for this reason that the post communist transitions were sometimes designated as part of a “fourth wave” (von Beyme 1996; Doorenspleet 2005). The “wave” approach, however disaggregated it may be, nevertheless retains the teleological implications of the transitional approach – that democracy is a foreordained part of the destiny of humanity and that the countries in a wave share certain fundamental characteristics as shaped by the demands of the epoch.

We can identify two approaches to democratisation in Russia, where the political system has entered the “grey zone”. The first we can label as typological, where a concept is devised that tries to encompass the features of the hybrid political systems that have emerged in post Soviet Eurasia. This is a normative evaluative exercise, approximating to traditional procedural approaches to democracy, in which a whole bestiary of terms has been devised to capture the hybrid nature of Russian reality, including “managed democracy”, “managed pluralism”, “liberal authoritarianism”, “semi authoritarianism”, “soft authoritarianism”, and many more (Balzer 2003). Following the Orange Revolution in Ukraine in late 2004, the Kremlin advanced the term “sovereign democracy”, to indicate that Russia would find its own path to democracy, and that democracy in the country would have Russian characteristics (Garadzha 2006). Typological approaches sometimes merge with teleological views – the argument that the transitions will tend towards a known end point. The main drawback of typological approaches is that they tend to become little more than
exercises in taxonomy and mechanical box ticking, and thus obscure the rich dynamics of a country such as Russia.

The second approach we can label as genealogical. Here the emphasis shifts from normative evaluations of the fundamental character of a regime to examining the factors that shape a particular system and how that system operates in a particular environment. This historical structural approach helps frame a number of specific questions, in our case on the factors shaping the development of the Russian polity. It also gives due consideration to the role of leadership as an independent variable yet constrained by historical legacies and contextual factors. The genealogical approach also encourages a shift away from the discourse of transition and consolidation towards a greater emphasis on the quality of democracy, and thus reprises debates about substantive notions of democracy. The new concern entails a move away from a focus on institutions and regime types towards the quality of democratic citizenship, emphasising in particular a bundle of individual rights, including effective access to justice, social and human rights. Thus the extension of political rights from this perspective has to be complemented by civil and social rights within the framework of a stable state structure (O’Donnell et al. 2004).

Conclusion

While “transitology” may have been tarnished by mechanical applications, in particular in its teleological manifestations (the belief that the end point of a transition was knowable in advance), the fundamental questions of technical transitional studies remain pertinent. In other words, while typological, and even more teleological, transitology has been found wanting, a more genetic approach – that is one rooted in the realities of design, development and processes – remains as pertinent as ever. The technical transition in Russia is largely over, with the fundamental decisions taken on the design of its political institutions, although the regime tinkers endlessly with the details. However, Russia is certainly not a consolidated democracy, and the country is now challenged to improve the quality of its democracy. The challenge is not unique to Russia, although it is especially sharp there. The crisis of Russian democracy is part of a broader global crisis of democracy, but it has its own roots and distinctive manifestations.

The comparative democratisation approach has much to offer the study of the demise of communist systems. However, there are limitations. There is a need above all to take a long term perspective – not just focusing on the moment of breakdown but taking into account the long term antecedents; as well as the protracted nature of the shift from one type of social order to the reconstitution of viable successor regimes. In Russia, all post communist leaders have been constrained by structural factors, demonstrating that the fall of the communist system in 1991 was only one episode in the long term decay of the communist order. The diversity and fluidity of the changes can hardly be captured in a single frame, yet the comparative democratisation literature helps us structure analysis of the changes. The weaknesses of civil and political society impede the formation and consolidation of a functioning party system and the panoply of institutions that make up modern representative democracy. Despite all of this, the final lesson of recent Russian experience is that the sources of social revitalisation and the aspirations for political renewal, however much tarnished by inept, corrupt and self serving elites, cannot be held back indefinitely. Politics have returned to the country and are taking on increasingly structured forms, and the hard experience of the communist experiment and the decades of post communist transformation demonstrate that lasting solutions to the country’s myriad problems can only be found in the sphere of democratic politics. This lies at the core of the comparative democratisation approach, and the validity of this thesis appears reinforced by the experience of the fall of communism and the subsequent attempt to create an effective social order.
References


Richard Sakwa

Williams, Christopher (2006), Leadership Accountability in a Globalizing World (Basingstoke: Palgrave Macmillan).
How Russia compares

Rodney Tiffen

The tables in this chapter give data on Russia, on the other countries that were part of the former Soviet Union, on the six formerly Soviet dominated countries of Eastern Europe, and where possible include some comparators from affluent Western democracies. The data are necessarily selective, but give some indication of the profound socio economic changes since the end of communism.

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A Population

Russia and many of the other countries of the ex-Soviet Union and Eastern Europe have undergone a demographic revolution since the fall of communism. Russia is still the most populous country in Europe, but Table 5.1 shows that its population in 2010 was almost nine million less than in 1990. Indeed in the whole world only 16 countries—all post-communist—had smaller populations in 2010 than in 1990. While Russia’s decline is the greatest numerically, Bulgaria, Estonia, Latvia, Armenia and Georgia have had the greatest proportionate declines (all shrinking by 0.85 per cent a year or more). However, while others had their sharpest drop in the 1990s, Russia’s was greater in the first decade of the twenty-first century.

Population change stems from both natural (birth and death rates) and migration factors. Table 5.2 shows that the average number of children women have during their life declined between 1990 and 2010 in all 22 countries. The countries of the former Soviet Union, however, show contrasting trends. The six countries with the highest fertility rates all have Muslim majorities. (Kazakhstan has only a small majority (56 per cent), but the others are all more than 85 per cent Muslim.)

In the absence of immigration, a fertility rate of 2.1 children per woman is considered a natural replacement level. Only three Muslim countries now exceed that rate. In the other ex-Soviet and Eastern European countries the fertility level falls well below it. It should be noted that these 2010 rates are very similar to those existing in Western Europe and Japan. These data pose two puzzles: why did fertility rates remain so high during the communist period and why did they decline so quickly afterwards?

Net migration refers to the difference between immigrants and those emigrating. Table 5.3 shows, but the gross migration data for Russia would be even more so, as although there has been net immigration overall, there have also been many emigrating, while internally, many have moved from more remote areas to urban centres.

The net migration data in Table 5.3 point towards one of the most remarkable mass movements of populations in the modern world. If we take the 13 ex-USSR countries and the three Eastern European countries in which the net rate is negative, the total net number of people emigrating was just over 11 million. It was greater in the 1990s at 7.6 million, but still substantial in the following decade at 3.5 million. Taking the 20-year period as a whole, a number, equal to around one in five of their 1990 populations, left Armenia, Georgia and Kazakhstan.
A large part of the early migration stemmed directly from the political changes, both the opening of opportunities for movement and the break up of the Soviet Union. Many ethnic Russians from other, now independent, countries moved back to Russia. (Similarly many ethnic Germans from throughout Eastern Europe emigrated to Germany.) That ethnically based, politically driven migration is now essentially over.

Migration in these countries in the twenty first century was much more driven by economic opportunities. Despite its economic problems, Russia is still a relative magnet for people from poorer countries. Remittances from family members working abroad have become an important source of income in some. For many, the extra freedom of movement has allowed them to answer

### Table 5.1 Population (millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>Population Growth Rate % per annum</th>
<th>1990</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ex USSR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>146.30</td>
<td>139.39</td>
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<td></td>
</tr>
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<td>1.10</td>
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<td>3.55</td>
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<td>2.97</td>
<td>-0.89</td>
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<td></td>
</tr>
<tr>
<td>Latvia</td>
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<td>2.37</td>
<td>2.22</td>
<td>-0.92</td>
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<td></td>
</tr>
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<td>1.29</td>
<td>-0.97</td>
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<tr>
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<td>10.27</td>
<td>10.20</td>
<td>-0.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
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<td>10.21</td>
<td>9.99</td>
<td>-0.19</td>
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</tr>
<tr>
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<td>7.15</td>
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<td>Slovakia</td>
<td>5.28</td>
<td>5.39</td>
<td>5.47</td>
<td>0.17</td>
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### Average Population Growth Rates

<table>
<thead>
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<th>Ex USSR</th>
<th>Eastern Europe</th>
<th>OECD 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>-0.2</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Sources:**

- Data for OECD 18 here and elsewhere is from Rodney Tiffen and Ross Gittins *How Australia Compares* (2nd edn, Melbourne, Cambridge University Press, 2009). The 18 countries have all been stable democracies for at least 50 years. All have populations of four million or more, and they are among the richest of the OECD countries. The 18 countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom and United States.
the siren call of the Western European economies. Russia’s combination of population decline and net positive immigration, however, underlines just how drastically its birth rate has fallen and its mortality rates have deteriorated (see Table 5.4).

**B Life expectancy and health**

Table 5.4 shows that in the 15 years after 1990, life expectancy for Russian men fell by almost exactly five years. At a life expectancy of just under 59 years in 2005, an average Russian male’s life was 17 years shorter than males living in the richer OECD democracies, and 11 years shorter than those in Eastern Europe. Moreover the 13 year gap between male and female life expectancy in

---

**Table 5.2 Fertility (average number of children per woman 15-49 and whether country has a majority Muslim population)**

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2010</th>
<th>Muslim Majority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ex USSR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td>5.2</td>
<td>2.9</td>
<td>M</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>3.9</td>
<td>2.6</td>
<td>M</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>4.2</td>
<td>2.2</td>
<td>M</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>3.3</td>
<td>2.0</td>
<td>M</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>2.8</td>
<td>1.9</td>
<td>M</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>4.2</td>
<td>1.9</td>
<td>M</td>
</tr>
<tr>
<td>Armenia</td>
<td>2.8</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>2.1</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>2.2</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td><strong>Russia</strong></td>
<td>1.9</td>
<td>1.4</td>
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<tr>
<td>Belarus</td>
<td>1.9</td>
<td>1.3</td>
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<td>1.3</td>
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<td>Lithuania</td>
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<tr>
<td>Bulgaria</td>
<td>1.5</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>1.8</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>2.1</td>
<td>1.4</td>
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</tr>
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<td>Czech Republic</td>
<td>1.9</td>
<td>1.3</td>
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<td>2.1</td>
<td>1.3</td>
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</tr>
<tr>
<td>Romania</td>
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<td>1.3</td>
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</table>

**Mean Fertility Rates**

<table>
<thead>
<tr>
<th>Region</th>
<th>Ex USSR</th>
<th>Muslim majority</th>
<th>Other</th>
<th>Eastern Europe</th>
<th>OECD 18</th>
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<tr>
<td><strong>Ex USSR</strong></td>
<td>2.8</td>
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<tr>
<td>Muslim majority</td>
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<td>1.8</td>
<td>1.4</td>
<td></td>
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</tr>
</tbody>
</table>

**Note:** OECD = 2005.

**Sources:**
Data on child births from US Census Bureau International Database (see reference for Table 5.1).
Russia is the highest in the world. The only other occasions when a country has experienced such a sharp decline in male life expectancy in the modern world have been because of either major wars or the impact of HIV/AIDS which devastated many African countries. The decrease is the more notable because in Western countries life expectancy was still increasing among both sexes, as it was in Eastern Europe and in most other areas in the world.

Table 5.3 Migration (net migration 1990 99 and 2000 10 in thousands and % of 1990 and 2000 populations respectively for each period)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total 1990 99</th>
<th>Total 2000 10</th>
<th>% 1990 99</th>
<th>% 2000 10</th>
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Source: Data on migration is from US Census Bureau International Database (see reference for Table 5.1), plus author’s calculations.

Russia is the highest in the world. The only other occasions when a country has experienced such a sharp decline in male life expectancy in the modern world have been because of either major wars or the impact of HIV/AIDS which devastated many African countries. The decrease is the more notable because in Western countries life expectancy was still increasing among both sexes, as it was in Eastern Europe and in most other areas in the world.

While the decline was greatest among Russian males, five other countries in the former Soviet Union also suffered a fall, and the others did not experience the rising life expectancies experienced elsewhere in the developed world. None of the countries suffered such dramatic falls in female life expectancy, but again their lack of improvement presents a contrast to the steadily increasing life expectancy elsewhere in the developed world. Indeed six, including Russia, suffered a decline in this 15 year period.

Table 5.5 only deepens the puzzle. OECD research has found that, after controlling for risk factors in the population, higher doctor numbers were significantly associated with lower premature mortality. Russia (like several other countries from the former Soviet Union) has a proportionately higher number of doctors than the developed democracies. Other measures of health resources (not included in tables here), such as numbers of hospital beds and nurses, also
show that the availability of medical care is not the problem. (The total figure does not capture, for example, declining access for some because of privatisation or any decline in quality.)

Nevertheless, the primary reasons for the worsening life expectancy figures almost certainly lie elsewhere. On most mortality measures Russia does worse than Western democracies and Eastern Europe, and Tables 5.6 and 5.7 exemplify this. The most common cause of death in all these societies is circulatory disease, and the most common manifestation of this is ischaemic heart disease, caused by the accumulation of fatty deposits lining the inner wall of a coronary artery, restricting blood flow to the heart.

Table 5.6 shows that deaths from ischaemic heart disease in 2008 were four times as high in the countries of the former Soviet Union as in the OECD countries, and almost twice as high as in the Eastern European countries. Russia’s death rate is worse than the ex-Soviet average, although not as disastrous as some others such as Ukraine and Moldova. Moreover, again, the Russian trend is in the opposite direction from the improvement in the rest of the world.

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</table>

**Mean Life Expectancies**

| Ex USSR       | 64         | 64         | 72          | 73          |
| Eastern Europe| 67         | 70         | 75          | 78          |
| OECD 18       | 70         | 76         | 77          | 81          |

*Note: OECD 18 figures are from 1980 and 2004.*

*Sources:*
Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
OECD data, which is for all 30 OECD member countries, is from OECD *Health at a Glance 2009* (Paris, OECD, 2009).
At least Table 5.7 shows Russia, like all other countries, reducing its rate of infant mortality. Moreover, here it rates among the better performers in the countries from the former Soviet Union, even if it was still higher than in most of Eastern Europe and the developed OECD democracies. What most stands out in Table 5.7 is the disastrously higher rates in the predominantly Muslim ex Soviet countries. Some commentators have said that Russia does not follow World Health Organization guidelines in counting cases of infant mortality, so that the true figure is worse than indicated. However, even on the official figure, Russia still trails badly behind Western and Eastern Europe.

### C Social problems

The disastrously low life expectancy of Russian males, and its precipitate fall after 1990 (Table 5.4), is only partially explained by the substantially greater mortality rates from heart disease and infant mortality (Tables 5.6 and 5.7). Similarly death rates from cancer are only slightly worse than in the

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**Table 5.5 Doctors (number of doctors per 1000 population)**

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**Sources:**
Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1. OECD data, which is for all 30 OECD member countries, is from OECD *Health at a Glance 2009* (Paris, OECD, 2009).
West and in Eastern Europe. There has been no tangible decrease in the infrastructure of medical care, although this may not reveal qualitative deterioration. Moreover, although for example, immunisation rates have remained high, better than in most Western countries, other aspects of Russia’s public health capacity have declined, as manifested in the spread of TB and of HIV/AIDS for example.

However, the major reasons for the low life expectancy are to be found in Tables 5.8–5.11. Table 5.8 shows deaths from external causes. Death rates, both in general and from particular causes, are conventionally measured as age-standardised death rates per 100,000, which takes into account the differences in age structure of populations. This allows comparisons over time and between countries. External causes – external to the body – refer to a variety of causes, including deaths from suicide, homicide, traffic and other accidents, such as falls, accidental poisoning and drowning.

Table 5.8 shows that Russia has a much higher rate of deaths from external causes than any of the other countries listed, and it increased greatly after 1990, assuming that figure is broadly
accurate. Like many other measures of social and economic issues, the figures on deaths from external causes in many of these countries, and especially Russia, follow a U shaped curve, becoming markedly worse in the 1990s and then improving in the following decade.

Tables 5.9 and 5.10 give data on deaths from two types of external causes, those stemming from homicide and suicide. Russia has had an extremely high homicide rate throughout the period, but it became markedly worse after 1990. In 2008, although lower than in 2000, it was still much higher than for any other country listed in the table. Among Western democracies, the United States has by far the highest homicide rate, but at 6.0 it was less than a third of the Russian rate. Globally, in terms of the highest homicide rates, Russia ranks around 15th, with the dubious honour of first and second places going to Honduras (60.8) and Jamaica (59.5).

Russia has a suicide rate more than two and a half times that of the Western democracies, and double that of the Eastern European countries, and is second only to Lithuania in the countries in Table 5.10. By 2008, Russia’s suicide rate was at about the same – high – level it had been in 1990.

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Sources:
Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
OECD data, which is for all 30 OECD member countries, is from OECD Health at a Glance 2009 (Paris, OECD, 2009).
There has been a lot of surmise about the role of alcohol in Russia’s high mortality rate. The figures in Table 5.11 do not establish such a link. While this official data suggests Russian consumption is relatively high, and has certainly increased since 1990—a time when Gorbachev had led a campaign to reduce alcohol consumption—it is not outrageously high. It is less than in six of the other countries listed in the table, and less than in such Western countries as Ireland, Denmark and France.

This table is not sufficient to dismiss the link. The problems associated with alcohol are not revealed by figures on average per person intake, but rather stem from the extremes of consumption. Serious health and social problems are often associated with binge drinking and/or long-term alcoholism (see Chapter 34 by Judy Twigg). Moreover, there is reason to doubt the accuracy of the official figures. There is often a black market in alcohol, and in Russia a tradition of home brewing.

### D Economic transition and performance

The overthrow of communism brought hopes not only of a more democratic future, but a more prosperous future. The final column of Table 5.12 is a strong indication why. It examines per
capita growth rates over a 40 year period – in broad terms the two decades preceding communism’s fall and the two decades after. Three countries actually record negative growth – in other words their income per head of population was less in 2010 than in 1970 (assuming the 1970 figure is accurate). Lithuania, Russia and Ukraine were all poorer on average at the end of this 40 year period than at the beginning.

The apostles of economic transformation argued that short term creative destruction was needed to lay the foundations for greater growth in the future. The results were certainly dramatic, and in the short term disastrous.

Generally the Eastern European countries had a much smoother economic ride than did the countries of the former Soviet Union. Only two of the Eastern European countries formerly under Soviet control recorded negative growth for the decade of the 1990s, although only Slovakia escaped a period of rampant inflation.

For the whole decade of the 1990s, 14 of the 15 countries of the former Soviet Union had their economies decline in real wealth. Such negative growth for so many countries averaged over a whole decade is very unusual in global terms. Nevertheless, the first decade of the twenty first

Table 5.9 Homicides (deaths from homicide per 100,000)

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Source: Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
century offered much more hope for the optimists, with all these countries having very substantial growth rates. Even though the figures must be understood against the economic decline of the previous decade, they show substantially faster growth than the Western economies in the same period. In Russia’s case, this was greatly assisted by their booming exports of oil and gas.

Central banks in Western economies become concerned when inflation exceeds four per cent. According to Table 5.13, in 1995, at the peak of the economic dislocation, only Slovakia had less than double digit inflation, while ten countries had triple digit inflation. Inflation of this magnitude is debilitating for all economic activity – especially when combined with a contracting economy. Even when inflation had been reduced considerably in the 2000s, the figures for many of the countries remained at levels that would be considered unacceptable in stable economies.

In the last days of communism, participation in the labour force was much higher, especially in the Soviet Union, than in the Western economies (Table 5.14). There was no doubt an element of coercion about this. In the years following 1990, there has been a convergence of labour participation rates (which includes both those employed and those unemployed but seeking work) of these countries towards those existing in Western Europe. The bulk of this movement

Table 5.10 Suicides (deaths from suicide per 100,000 population)

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Source: Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
occurred between 1990 and 1995, during the peak of the economic dislocation, suggesting that many of those suddenly displaced from their previous employment withdrew from the labour force.

In the Western economies over the last few decades, male labour force participation has been slowly declining, while female participation has been steadily increasing. In contrast, Table 5.15 shows that the very high female labour force participation in these countries declined substantially, and in many cases now approximates that in the West. The countries of the former Soviet Union show considerable variation. Some have shown almost no change, while in others the decline has been dramatic – Uzbekistan dropping by 19 percentage points and Tajikistan by 23 for example.

Declining life expectancy, sharp economic decline, uncontrollable inflation and upheavals in employment – it is easy to see why narratives of nostalgia had a ready constituency.

### Table 5.11 Alcohol consumption (mean litres of pure alcohol consumed per person)

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*Source: Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.*

Measures of income alone can give a clue to a country’s standard of living, but take no account of the diffusion of economic benefits through a society or other aspects of human well-being. The United...
The United Nations Development Programme developed an index designed to create a broader view of a country’s development than using average income alone. The Human Development Index (HDI) is a simple summary measure of three dimensions of the human development concept: living a long and healthy life, being educated and having a decent standard of living. The UNDP’s rationale is that:

Human development is a process of enlarging people’s choices … The three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these choices are not available, many other opportunities remain inaccessible.

Table 5.12 Economic growth

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**Notes:**
Columns 2–4 are average annual growth rates in GDP per capita for the respective periods.

**Sources:**
Columns two and three are from World Bank World Development Indicators 2009 (Washington DC, World Bank, 2009).
Column four is from UNDP Op cit p. 143f.
The HDI combines the three dimensions into one index, and scores each country for each year, with a summary measure between zero and one, a higher score meaning greater human development. While national income correlates strongly with the HDI, the measure also gives weight to distribution and to the development of social infrastructure. Two components of the HDI – longevity and educational attainment – by their nature reflect upon the well being of the population as a whole.

The idea of a composite scale is to go beyond the limits of individual measures to capture more of the integrity and complexity of the social experience. An intrinsic problem of constructing composite indicators is that even if all the elements can be scored satisfactorily, there is always an arbitrariness about their weightings, how the components are combined into one scale. Such constructs are inevitably surrounded by methodological disputes. They should not be viewed as more than a convenient means of encapsulating and simplifying complex realities in order to facilitate comparisons between countries and over time.

Table 5.16 gives data for the relevant countries on the HDI for 1990, 2000 and 2010, and their global rank in 2010. The UNDP divides the world’s countries into four broad groups – those with

### Table 5.16 Inflation (Consumer Price Index % increases for years shown)

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**Note:** *OECD figures are averages for 1990–99 and 2000–07. Source: Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
very high human development (42 countries with a score of 0.788 or higher); high human development (countries ranked 43–85 and down to an HDI of 0.677); medium human development (ranked 86–127, down to an HDI of 0.488) and low human development (ranked 128–169, and down to Zimbabwe with an HDI of 0.140).

Over these two decades, most of these countries have made less progress than the global averages. As with other measures, they made more substantial progress in the second decade than in the first. There is considerable variation. Tajikistan has actually gone backwards, while Russia and Ukraine have edged forwards, and Latvia, Estonia, Armenia and Azerbaijan progressed the most.

Another attempt to examine well being apart from purely economic measures is simply to ask people about their life satisfaction. Asking people to rate their sense of satisfaction on a scale from 1 to 10, with 10 being completely satisfied is an arbitrary methodological contrivance, but it has produced reliable results over many surveys (Table 5.17). Russia’s score of 5.9 sits just above the global mean of 5.8, while among these countries, only Turkmenistan’s citizens put themselves into the top quarter. These surveys also asked a battery of other questions. The one where Russia is most out of line with its mean life satisfaction score is the low proportion satisfied with their

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**Table 5.14 Labour Force Participation (% of population aged 15+ participating in labour force)**

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</tr>
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</table>

**Source:** Data is from World Bank Complete World Development Reports Database – see reference for Table 5.1.
standard of living – presumably related to the insecurity stemming from chronic inflation and economic instability.

## F Inequality and poverty

The well-being of a society is determined not only by its economic wealth and aggregate growth, but also by the distribution of that prosperity. National summary measures of economic growth or income give indications of the size of the cake, but not how it is divided. However, distribution is central to peoples’ sense of their well-being, and to their capacity to use the national wealth for their own personal goals.

The most common indicator of inequality was invented by the Italian statistician Gini early in the twentieth century. The Gini coefficient takes a value of 0 if every household has identical income and a value of 1 if one household has all the income. Thus an increase in the coefficient represents an increase in inequality. It is a ratio measure, which includes all members of a population, and allows comparisons over time and between countries.
Table 5.18, which is based on official statistics for the most recent year available (and reports the situation after taxes and government transfers), shows that the countries of the former Soviet Union are generally more inegalitarian than the countries of Eastern Europe. However, they show great variation—a rating of less than 0.300 is often taken as egalitarian, and of over 0.400 as markedly unequal. Russia is the most unequal of the countries in the table.

The most extensive and long running attempt to generate comparative data on income and inequality has come from the Luxembourg Income Study (LIS), which pioneered the comparative statistical study of social inequality. Its principal research tool has been household survey data, and so the availability of data varies with the years in which surveys were conducted in different countries.

Table 5.19 gives data from the LIS for the latest available year for all the developed countries on which there is data. Overall, more economically developed countries tend to have a more equal distribution than most Third World countries. In the total LIS database, the most unequal countries are Colombia (0.508), Guatemala (0.507) and Brazil (0.486). Among the developed

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI 1990</th>
<th>HDI 2000</th>
<th>HDI 2010</th>
<th>Global HDI Rank 2010</th>
</tr>
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<td>Ex USSR</td>
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<td></td>
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</tr>
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<td>Estonia</td>
<td>0.700</td>
<td>0.762</td>
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<td>0.732</td>
<td></td>
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<tr>
<td><strong>Russia</strong></td>
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<td><strong>0.719</strong></td>
<td><strong>65</strong></td>
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<td>Kazakhstan</td>
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<td>0.614</td>
<td>0.714</td>
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<tr>
<td>Azerbaijan</td>
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<td>0.713</td>
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<td>Ukraine</td>
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<td>Georgia</td>
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<td>Czech Republic</td>
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<td>0.805</td>
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<td>0.690</td>
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<td>50</td>
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<td>Bulgaria</td>
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<td>0.693</td>
<td>0.743</td>
<td>58</td>
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</table>

Note: For Czech Republic, Slovakia, Estonia, Armenia and Azerbaijan 1990 figure is for 1995.
See reference for Table 5.12.
countries reported in the table, Russia is the most unequal, and is markedly more unequal than the second most unequal country, the United States.

It is pertinent to note that not all the post communist countries have followed such a course towards great inequality. The Czech Republic, Slovenia and Slovakia are among the most egalitarian, with levels of inequality not very dissimilar from the most egalitarian Western countries: the Scandinavian countries and The Netherlands.

The three columns of Table 5.19 each have a different measure of inequality and poverty, but they show a strong correlation with each other. The middle column looks at the difference between rich and poor by comparing the 80th percentile and 20th percentile. In this way it seeks a more representative measure of inequality, one that is unaffected by the minority of incomes that are either extremely high or extremely low.

<table>
<thead>
<tr>
<th>Country</th>
<th>Life Satisfaction</th>
<th>% satisfied with standard of living</th>
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</thead>
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<tr>
<td>Turkmenistan</td>
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<td>78</td>
</tr>
<tr>
<td>Kazakhstan</td>
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</tr>
<tr>
<td>Uzbekistan</td>
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<td>69</td>
</tr>
<tr>
<td>Russia</td>
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<td>36</td>
</tr>
<tr>
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<td>33</td>
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<tr>
<td>Moldova</td>
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<tr>
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<tr>
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<td>Armenia</td>
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<tr>
<td>Georgia</td>
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<td>Eastern Europe</td>
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<td>65</td>
</tr>
<tr>
<td>Poland</td>
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<tr>
<td>Romania</td>
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Sources:
See reference for Table 5.12.
The final column reports on data for relative poverty. The definition and measurement of poverty are politically and intellectually contentious. The most common relative poverty line used in international comparisons is the arbitrary one of 50 per cent of each country’s median (or middle) income. It is a measure of relativities, of the structure of the distribution of income, rather than of absolute material deprivation. Again this shows Russia having the highest rate, with 19 per cent, or almost one in five, living in relative poverty by this definition. Only the United States approaches this, while the highly developed welfare states at the bottom of the table have about one third that number living in relative poverty.

### G Democracy and corruption

Central aspects of what we associate with the good society and a healthy polity are not susceptible to quantification. However, while necessarily involving degrees of subjective and contested judgements, two non-governmental organisations have long devoted themselves to constructing...
respectively, measures of democracy and corruption. Freedom House, based in New York, has been issuing annual reports on freedom in the world since 1972, while Transparency International (TI), an international anti corruption NGO, has been constructing a Corruption Perceptions Index since 1995.

Freedom House scores countries on two dimensions. Political Rights refer to people’s ability to participate freely in the political process, including the right to vote for distinct alternatives in properly conducted elections, the ability of political parties to compete for office, and that elected representatives make policy and are accountable to the public. Civil Liberties refer to freedoms of expression and belief, the freedom to organise, the independent and impartial rule of law, and personal autonomy from the state. Based on a checklist of judgements, Freedom House rates each country (194) from 1 most free to 7 completely unfree. It then combines the two dimensions to give ratings of Free (score 1–2.5); Partly Free (3–5) or Not Free (5.5–7).

Tables 5.20 and 5.21 show that the Eastern European countries and the Baltic countries – Estonia, Lithuania and Latvia – have become functioning democracies. Elsewhere the picture is

<table>
<thead>
<tr>
<th>Country</th>
<th>Gini Coefficient</th>
<th>Ratio of Upper to Lower Income</th>
<th>Relative Poverty Rate</th>
</tr>
</thead>
<tbody>
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<td>Russia</td>
<td>0.434</td>
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</tr>
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<tr>
<td>France</td>
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<td>Germany</td>
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<tr>
<td>Romania</td>
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</table>

Notes:
The ratio of upper to lower income is based on the ratio of those at the 80th percentile to those at the 20th percentile.
The percentage of those living in relative poverty is defined as those living on less than half the median income.
Source: Data is from the Luxembourg Income Study Data on Developed Countries, drawn from their key figures table.
Data is accessible at http://www.lisproject.org/key-figures/key-figures.htm.
Table 5.20 Political freedom (Freedom House Rating of Political Rights: 1 = democratic; 7 = completely authoritarian)

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>


Table 5.21 Civil liberties (Freedom House Rating of Civil Liberties: 1 = democratic; 7 = completely authoritarian)

<table>
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<th>Country</th>
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<th>2010</th>
</tr>
</thead>
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<tr>
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<td><strong>5</strong></td>
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Table 5.21 (Continued)

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<th>Country</th>
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</tr>
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<td>Romania</td>
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Table 5.22 Corruption (Transparency International Corruption Perception Index: range 0 10; higher score = less corruption)

<table>
<thead>
<tr>
<th>Country</th>
<th>CPI Score</th>
<th>Global Rank</th>
<th>% Faced Bribe Situation in Last Year</th>
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</thead>
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<tr>
<td><strong>Ex USSR</strong></td>
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<td></td>
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<tr>
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<td>9</td>
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<td>Lithuania</td>
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<tr>
<td>Latvia</td>
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<tr>
<td>Georgia</td>
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<td>Kazakhstan</td>
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<tr>
<td>Bulgaria</td>
<td>3.6</td>
<td>73</td>
<td></td>
</tr>
</tbody>
</table>

Sources:
bleak. The only country which improved its score between 2000 and 2010 was Ukraine, while quite a few scored lower in 2010 than they did in 1990.

The democratic hope associated with the fall of communism is not borne out by this record. The picture on civil liberties is somewhat more hopeful than on political rights, perhaps a sign that in the post communist era the power of the state rests somewhat less heavily on its citizens, but the majority of members of the former Soviet Union are still living under authoritarian regimes.

Similarly, corruption is corrosive of good governance and democratic accountability. However, because successful corruption often means that no offence or transgression is officially recorded or even publicly known, it is impossible to measure its extent authoritatively (see Chapter 17 by Leslie Holmes). TI therefore compiles systematic data on perceptions of corruption. Their methodology assigns a score to each country from 0 (most corrupt) to 10 (least corrupt), a composite of several indicators, many of which involve surveys of key groups.

Perception of corruption is not the same as the incidence of corruption, and perceptions can be shaped by factors beyond direct experience. Sometimes scores can be shaped by the prevalence of scandals in the news, or the frustrations of expatriates regarding the opaqueness of local procedures. Moreover, although a convenient indicator, a ten point scale score gives a spurious air of precision. Such qualifications have led to debates within Transparency International itself. Despite these inherent problems, the Corruption Perception Index is a useful indicator, as a means of highlighting the extent of corruption in public life, and the relative ranking of countries on the scale would seem broadly accurate to most observers.

In 2010, TI included 178 countries. With the exception of Estonia, none of these post communist countries rank in the top 40 in the world. Eleven countries of the former Soviet Union rank 100th or lower. Russia in particular had a score of 2.1, and has consistently scored around that point, which ranked it in the most corrupt seventh of countries globally.

Column four of Table 5.22 shows that in more than half the countries, one in five or more of respondents said they had been faced with a bribe situation in the previous year.
Part II
Politics
The Russian Constitution

Gordon B. Smith

The collapse of the Soviet state in late 1991 made the ratification of a new constitution most urgent for Russia. Since the USSR no longer existed as a legal entity, its laws technically no longer had legal force. To fill this void, President Yeltsin and the parliament concurred that the constitution and laws of the former RSFSR would continue to be observed until a new constitution and laws could be adopted. This was a necessary but unsatisfactory situation, since the 1977 Constitution of the Russian Federation and most of the laws were products of the Brezhnev era and reflected the values of the now repudiated communist system.

One of the thorniest residual issues was resolving claims of more than 100 ethnic groups residing on the territory of the Russian Federation. Many constitutional scholars felt it was necessary to resolve these federative issues prior to the ratification of a new constitution. The adoption of a new Federation Treaty on 31 March 1992 represented a major step in the effort to redefine the relations between the Russian Federation and the various “subjects” of the Federation. The Federation Treaty spelled out the respective jurisdictions of the central government and the subjects. The general thrust was to decentralise power and grant concessions to ethnic minorities.

Although the Federation Treaty represented a significant departure from the USSR’s concentration of power in the centre, the provision of concurrent federal republic control of natural resources, in particular, prompted Tatarstan to refuse to recognise the treaty. Meanwhile, the Chechens were pushing for total independence from Moscow. The threat of breakaway regions and the lack of clear delineation of concurrent powers in the treaty meant that several constitutional questions had yet to be resolved.

Post-Soviet constitutional development in Russia

Progress toward drafting a new constitution and laws was delayed by heated disputes over three major issues:

- the relative allocation of powers between the executive branch (presidency) and the legislative branch (parliament);
- the relative allocation of powers between central (federal) and subnational bodies; and
- the process for ratifying a new constitution.

In early 1992 the Russian Supreme Soviet convened a special constitutional drafting commission, headed by Oleg Rumyantsev, a noted Russian constitutional scholar. The commission’s draft
called for a semi presidential republic with a federal structure. The president would have substantial authority, including the right to name cabinet members, veto legislation, issue decrees, call referenda, and make fundamental social, economic, and foreign policy decisions. A bicameral legislature would be created, mandating new elections.

A second draft constitution reflecting the interests of parliamentarians was also circulating. It envisioned a parliamentary republic in which the executive would have little independent authority. The document enshrined individual rights and permitted each ethnic group within the Russian Federation to negotiate its own status within the federation, rather than have one Union Treaty attempting to set a uniform standard of centre/periphery relations for each regional and ethnic group.

A third draft constitution was worked out by President Yeltsin’s chief advisor, Sergei Shakhrai. It called for the creation of a republic with a strong executive president. Debate over these three competing constitutional drafts often bogged down in trivialities. Meanwhile, de facto power was gravitating to the presidency as the country faced critical economic, political, and social problems and the parliament appeared determined to avoid taking action.

The deadlock over resolving the constitutional issue created chaos elsewhere in law enforcement and judicial administration. Since the Russian legal system is based on a codified system of laws, the drafting of a new constitution takes on added significance. In the civil law tradition, the constitution establishes the foundation upon which all other bodies of law are built. Thus, Russian jurists were reluctant to press for major revisions in the criminal code, to adopt a new commercial code to govern economic relations, and to introduce a new land law and other codes, until a new constitution was in place. Meanwhile, the pace of policy changes had greatly outstripped codification of new laws, leaving citizens and foreigners operating in a state of legal confusion. The anarchy of laws that prevailed tended to strengthen the hand of the president and further eroded the balance of power between the legislative and executive branches. By mid 1992, it was becoming imperative that the constitutional impasse be resolved, yet with the existing configuration of power, the president was unable to overcome his opponents in the parliament.

By early 1993 the constitutional deadlock had degenerated into a full blown crisis. The Supreme Soviet, led by Ruslan Khasbulatov, used its power to block Yeltsin’s legislative initiatives. As a consequence, Yeltsin resorted to ruling by decree. Both Khasbulatov and Vice President Aleksandr Rutskoi denounced Yeltsin’s decrees as unconstitutional and illegitimate. In March 1993 Congress of People’s Deputies refused to renew the emergency powers that it had temporarily granted Yeltsin in November 1991, making it more difficult for him to continue his market oriented reforms.

After a stormy appearance before the Congress on 12 March, Yeltsin walked out. The Congress went on to amend the Constitution of the RSFSR to protect its own interests. The chairman of the Constitutional Court warned that the country was “on the brink of a catastrophe” (“Itogi”, Ostankino Television, 14 March 1993). Faced with an impasse of monumental proportions, Yeltsin addressed the country on 20 March 1993 and issued a veiled threat to impose direct presidential rule. He announced a national referendum for 25 April that amounted to a vote of confidence in his leadership and promised that he would abide by the results. To the surprise of many, the public strongly supported Yeltsin in the referendum, but the results were not binding.

The stalemate between the president and the parliament eventually came to a head in the autumn of 1993. On 21 September President Yeltsin issued a decree dissolving the parliament. Yeltsin acknowledged that his actions were not consistent with the existing constitution, but he argued that the 1977 Constitution was no longer valid since it was the product of the former Soviet state. The parliament refused to disband. Speaker Khasbulatov and Vice President Rutskoi along with many of their supporters barricaded themselves in the White House, the parliament
building on the bank of the Moscow River. On 4 October Yeltsin ordered the army to launch an assault on the building and Khasbulatov, Rutskoi, and many other parliamentarians were evicted and promptly arrested.

In overcoming his opponents in the parliament, Yeltsin cleared the way for the ratification of a new constitution, the draft of which was circulated on 9 November. The version circulated strongly resembled the earlier “Yeltsin draft constitution”, in creating a strong executive. It was approved by a national referendum held on 12 December, with 58.4 per cent for and 41.6 per cent against (White et al. 1997, 99).

**Constitutional framework**

The Constitution, as ratified in December 1993, envisioned an essentially unitary system, with subnational units having regional representation, but within a strong unitary framework. The Constitution clearly establishes the Russian Federation as a presidential republic. The parliament (Federal Assembly) consists of two houses: the State Duma or lower house with 450 elected deputies and an upper house (Federation Council) consisting of 178 deputies – two from each of the 89 regions of the Russian Federation. Deputies to the State Duma are elected for a four year term, but no term was provided for the Federation Council. In fact, it is not clear whether members of the Federation Council had to be elected. The Constitution states that the chamber will “be composed” and avoids using the word “elected”. Nevertheless, deputies to the first Federation Council were elected along with deputies to the State Duma on 12 December 1993.

The Constitution provides for a directly elected president, limited to two consecutive four year terms. The president appoints the prime minister subject to confirmation by the Duma. All other members of the government are appointed by the president upon the suggestion of the prime minister and are not confirmed by the Duma. The president also appoints the chair and deputy chair of the cabinet, chair of the Central Bank, judges to the Supreme Court, Constitutional Court, and Superior Arbitration Court, and the Prosecutor General.

If the State Duma refuses to confirm the president’s choice for prime minister three times, the president may dissolve the parliament and call new elections. This provision was intended to coerce the parliament into eventually approving a presidential nomination rather than face new elections. However, the threat of a parliamentary rejection of a nominee could also prompt the president to name a prime minister who is more acceptable to the Duma.

Another provision inserted into the final draft of the Constitution forces the president to cooperate to some extent with the parliament by stipulating that there cannot be a vote of no confidence within the State Duma during the first year in office. Furthermore, the State Duma cannot be dissolved if it is considering treason charges against the president and possible impeachment, if the president has declared a state of emergency in the country, or if the presidential term is within six months of expiring.

The president has the authority to dismiss the government without the approval of the State Duma.

The president is responsible for foreign policy and defence, chairs the Security Council, and has the authority to declare war and a state of emergency. In the latter two instances, the president does not need to secure the approval of either house of the parliament; he is only obliged to inform them “without delay”.

Impeachment proceedings may be initiated by a vote of no less than one third of the deputies of the State Duma alleging treason or “other grave crime” on the part of the president. A committee is then formed by the Duma to evaluate the charges. Following this investigation, a formal bill of impeachment requires a two thirds vote of the Duma. The Duma’s actions are also
subject to confirmation by both the Constitutional Court and the Supreme Court. Finally, all of these decisions are handed over to the Council of the Federation that makes the final determination by a two-thirds vote. The entire process cannot exceed three months. All of these provisions make it highly unlikely that a Russian president will ever be impeached.

The powers of the parliament lie primarily in legislative initiative and oversight. Whereas most economic policy decisions lie with the government (including fiscal controls, credit, monetary policy, and budgeting), the Duma must approve these policies. In addition, the Duma confirms the president’s appointments for the posts of prime minister, chair of the Central Bank, comptroller, and human rights commissioner.

Supervision in the areas of foreign policy, armed forces, security affairs, and internal relations of the subjects of the federation rests with the upper house. The upper house also confirms appointments to the Constitutional Court, the Supreme Court, the Superior Court of Arbitration, and the Prosecutor General.

Legislation can be initiated by the president, either chamber of the parliament, the government, and by legislative organs of the subjects of the Federation. The right of legislative initiative is also vested in the Constitutional Court, Supreme Court, and the Superior Court of Arbitration in matters under their respective jurisdictions. The president may veto legislation, although he does not have the power of a line item veto. A presidential veto can be overridden by a two-thirds majority of the total members of the Federation Council and the Duma.

The president has unrestricted authority to issue decrees, edicts, and directives and to call referenda (Articles 90 and 84). Presidential decrees are binding and have force of law unless they are specifically rescinded by the parliament or nullified by the Constitutional Court. Both chambers of the parliament also have the power to issue decrees within their respective policy areas. Adding to the confusion, the Constitution also gives the government (including individual ministries) the power to issue decrees, edicts, and directives on issues related to policy implementation.

The principal arbiter of disputes between the executive and the legislative branches is the Constitutional Court, which consists of 19 members. The court guarantees that all federal laws and decrees comply with the Constitution. The court also is empowered to resolve jurisdictional disputes between federal bodies. Disputes between subnational bodies are entrusted to the Supreme Court, unless they pertain to constitutional issues. In addition, the president is granted the authority to mediate disputes between federal organs and regional bodies and officials.

One of the most potent weapons in the hands of the president is the power to suspend acts by executive officials in regions and republics when those acts contradict the Constitution, federal laws, or treaties signed by the Russian Federation.

Article 71 spells out the area of exclusive federal jurisdiction, including control over federal property, the budget, taxes, transport, communications, power generation, currency, the treasury, financial institutions, postal service, armed forces, defence and security, foreign policy, and foreign economic relations. More controversial is Article 72, which specifies the realm of joint federal–regional jurisdiction. These powers include control over land use and disposal, mineral resources, water and other natural resources, public health facilities, social services, and cultural, educational, recreational, and scientific facilities. In addition, federal, regional, and local officials are jointly responsible for environmental protection, housing, law enforcement, “delimitation” of state property, and the establishment of general principles for the organisation of local self-government. Yet, the Constitution fails to specify the details of how such joint jurisdiction would work in practice.

Another deficiency of the Constitution is its weak provision and guarantees of rights and liberties stated in Article 17–64 and incorporated in several other articles of the document. Many
of these guarantees are so broad and absolute that they are unachievable. For example, Article 38 states: “Concern for children and their upbringing are the equal right and duty of the parents.” Articles 39 and 40 guarantee pensions, social benefits, and housing, although the state was in no position to be able to deliver on these promises at the time of ratification. Most disturbing to some observers is the provision enabling the president to declare a state of emergency, which would in effect suspend any or all civil rights of citizens (Article 88).

The seemingly exhaustive list of rights and protections of Russian citizens contained in the Constitution is clearly a reaction to the repressive history of the Soviet and tsarist systems. There are specific prohibitions against torture, disseminating propaganda, and being subjected to medical, scientific, or other experiments without consent (Articles 21 and 29). Citizens are protected against the collection, storage, utilisation, and dissemination of information about a person’s private life without his or her consent (Article 24). Article 27 proclaims that each person may freely travel outside the Russian Federation and return without impediment and also may travel and move one’s residence freely inside the Russian Federation. Article 13 prohibits the adoption of a state ideology. Some of the provisions of the constitution clearly reject earlier socialist economic norms. Articles 9 and 36 recognise the right to private ownership of land and Article 34 states that each person has the right to engage in entrepreneurial activity.

The Constitution also incorporates several amendments into Russian criminal law and procedure made during the period 1988–91. These changes were enacted to facilitate a fair and unbiased judicial process, especially in criminal cases. Article 49 formally establishes a presumption of innocence. Article 50 prohibits double jeopardy. Article 51 states that a person may not be compelled to testify against himself or herself. Citizens are guaranteed the right to a trial by jury (Articles 20 and 47) and to compensation for damages if they are victims of crime (Article 52). Finally, the Constitution prohibits the expulsion or extradition of citizens to other countries (Article 61).

As in earlier Soviet era constitutions, the section on rights also enumerates specific duties of citizens. Thus, the Constitution establishes the obligation of citizens to pay taxes and duties, to protect nature, the environment, and cultural monuments, and to protect the Russian Federation, including the obligation to serve in the armed forces (Article 59), although, unlike previous documents, this obligation includes alternative service for those people who, due to religious beliefs, cannot perform military service.

Chapter 9 sets out the procedures for amending the Constitution. Reacting to the excessive amending of the Russian constitution during the period of gridlock between President Yeltsin and the parliament in 1992 and 1993, the drafters favoured much more restrictive amendment procedures. Amendments to Chapter 1 (‘Foundations of the Constitutional System’), Chapter 2 (‘Human and Civil Rights and Freedoms’), and Chapter 9 require a three fifths vote of members of the Federation Council and the State Duma. A Constitutional Assembly is then convened and may amend the Constitution with a two thirds vote or, alternatively, the amendment may be ratified by a national referendum. In the case of a referendum, the amendment requires that a majority of voters support the amendment and that more than half of all eligible voters participate in the referendum. Amendments to Chapters 3–8 require ratification by the legislative organs of at least two thirds of the subjects of the Russian Federation.

**Constitutional Implementation**

Although constitutional provisions are supposed to be “supreme” and directly enforceable, more than one third of the constitutional provisions require extensive elaboration and articulation in
laws. Since ratification in December 1993, the process of constitutional implementation has been steady but uneven, accelerating at certain moments while slowing appreciably at other times (Sharlet 1999, 81–100).

The December 1993 elections that ratified the new Constitution also brought into office deputies to the Duma representing more than ten political parties, which coalesced into three major blocs: reformers with 38 per cent, moderates with 15 per cent, and conservatives (former communists and right wing nationalists) with 34 per cent. The first Duma was no mere rubber stamp for President Yeltsin and his agenda. Nevertheless, Yeltsin worked closely with the Duma during 1994 and 1995, signing 282 major pieces of legislation, many of them required by the Constitution, including major codes of law and even controversial measures relating to privatisation and the fight against organised crime (Sharlet 1999, 91). However, progress toward realising the Constitution’s promise was severely hampered by inept legislative drafting, a financial crisis resulting in a lack of public funds, and an increasingly uncooperative parliament after the 1995 elections, in which the Communists and Liberal Democrats won a solid majority in the Duma. Faced with this united front against his agenda, President Yeltsin relied heavily on presidential decrees, issuing approximately 1,000 decrees in 1996 alone. Curiously however, Yeltsin’s liberal use of his decree powers to circumvent a belligerent Duma maintained the momentum of revising or replacing virtually all of the vestiges of the former Soviet legal system and bringing Russia’s new legal system into conformity with the Constitution.

Initially, much of the legislative activity focused on creating the statutory foundations for various bodies: the Constitutional Court, the federal courts, the commercial courts, the courts of general jurisdiction, police, bailiffs, tax police, the ombudsman, human rights commissioner, prosecutors, and advocates. Other important constitutionally mandated legislation was more controversial and slower to appear, including laws on referenda, the state of emergency, martial law, centre–periphery relations, and elections.

According to Robert Sharlet, progress was even slower on various new or greatly revised codes of law. The Civil Code became law in three parts, followed by a new Criminal Code and specialised codes on air, forest, and urban development. The Labour Code, Land Code, Tax Code, and Code of Criminal Procedure were not approved until after President Putin was elected and enjoyed a solid majority in the Duma (Sharlet 1999, 91).

Taken as a whole, the work of building the legal infrastructure of the newly reborn Russian Federation was a mammoth undertaking and was accomplished relatively quickly despite numerous factors that slowed progress. The problem of gridlock between the executive and legislative branches has already been alluded to. However, equally debilitating was a serious scarcity of resources for upgrading Russia’s legal institutions. In 1992 the Minister of Justice reported that more than 1,000 courts occupied buildings that should be condemned. Many buildings lacked elevators, and heating and plumbing frequently did not work properly. Court reporters used shorthand. Computers, word processors, dictaphones, and photocopiers were rare. Trials often encountered long delays due to shortages of police guards and vehicles to shuttle defendants from jail to court (Christian Science Monitor, 7 April 1992).

Perhaps the most intractable impediment to full implementation of the new Constitution was the carry over of “old thinking” by Russian judicial and law enforcement personnel. Virtually everyone in the Russian legal establishment during this transitional period was trained and worked in former Soviet legal institutions and many struggled to inculcate new legal values and modes of professional conduct. Selective enforcement, bribe taking, blatant infringement of judicial independence, and failure to observe new requirements regarding search and seizure, notification, interrogation, and inhumane treatment of suspects continue to plague Russian jurisprudence, although we also see signs that these negative vestiges of the past have diminished in recent years (Smith 2005, 169–85).
Recent developments in Russia’s constitutional development

Since its enactment in 1993, the Constitution of the Russian Federation has been remarkably stable; it has been amended only twice. Changes to Article 65 in 2008 were largely pro forma, merging some small ethnic regions and reducing the number of subjects of the federation from 89 to 83. The mergers were non-controversial, approved by referenda in each of the affected areas, and quickly approved by the Duma, Federation Council, and two thirds of the regional legislatures.

The second set of amendments to the Constitution also undertaken in 2008 was significantly more substantive: the lengthening of the presidential term from four to six years, and the term of Duma deputies from four to five years (RIA Novosti 2008).

However stable the Constitution may seem on first blush, a number of significant changes have occurred in federal constitutional laws or as a result of rulings of the Constitutional Court and in response to international treaties. For example, in 1998 when Russia joined the Council of Europe, it undertook an obligation to eliminate the death penalty within three years. After the collapse of the USSR and during Russia’s transition to a market economy, crime rates soared, especially organised crime, and neither law enforcement agencies nor the general public favoured abolishing the death penalty. Faced with strong opposition in the parliament, Yeltsin used his presidential power to impose a moratorium on executions. The moratorium continued until 19 November 2009, when the Constitutional Court ruled that, effective 1 January 2010, executions could no longer be carried out, citing Russia’s treaty obligations to the Council of Europe and Article 15 of the Constitution, which recognises the direct effect of international treaties. The Constitutional Court’s decision effectively nullified Article 20, which specifically mentioned the death penalty as a permissible form of punishment for especially serious crimes.

Most of the other changes to constitutional practice have resulted from changes in federal legislation relating to presidential powers, elections, the selection of governors, and changes in the processes for electing deputies to the State Duma and the Council of the Federation.

In an effort to co-opt the provincial governors in 1990, President Yeltsin instructed them to “take as much sovereignty as you can swallow” (TASS, 7 August 1990). The absence of central oversight and immunity from criminal prosecution as members of the Federation Council resulted in graft and corruption by regional governors and their failure to turn over taxes to the federal treasury. Soon after coming to office in 2000, President Putin divided the country into seven federal districts and appointed a trusted plenipotentiary representative to each. These “super governors” monitor the performance of the governors in their respective regions to ensure that laws are being implemented and enforced, and taxes are being collected and sent to the federal treasury. The establishment of the federal districts was challenged in the Constitutional Court, but the Court refused to hear the case on the grounds that the president has great latitude in appointing anyone he wishes as his plenipotentiary representatives and the action did not constitute a new level in Russia’s federal system.

In 2000 Putin proposed that the regions would choose their representatives to the Federation Council and that these positions would be full time (see Chapter 12 by Cameron Ross). This action replaced the previous system in which the provincial governors served in a dual role: as governor and also as their region’s representative in the upper chamber of the parliament. The change presented the governors with a difficult choice: either run for election as governor but no longer enjoy immunity from criminal prosecution, or seek a seat in the Federation Council and keep their immunity, but give up their governorships and be distanced from their power bases in their home regions. Following the terrorist episodes of 2004 involving an explosion in the Moscow Metro in February, two commercial airliners blown up by suicide bombers in late
August, and the 1 September hostage tragedy in Beslan, President Putin announced his intention to cancel governors’ elections and instead to nominate governors subject to confirmation votes by their respective provincial legislatures. Although this move was widely criticised by liberals in Russia and many foreign commentators, Putin argued that it was necessary in order to force provincial leaders to be more vigilant against terrorist threats (Ross 2010, 161–70).

Recent changes in election laws and representation in the State Duma have also dramatically altered the landscape of Russia’s political system. In 2007 President Putin persuaded the Duma to eliminate the single member district elections, which had previously selected half of the Duma’s 450 deputies. As of the December 2007 elections all deputies were selected on the basis of proportional representation from party lists. This move did away with independent candidates not affiliated with a political party. At the same time, the threshold clause for receiving seats was raised from 5 to 7 per cent, making it much more difficult for smaller and newly formed parties to gain seats. The net effect of these changes has been to ensure Putin’s United Russia party a solid majority in the Duma. At the same time, the number of opposition candidates critical of Putin’s policies declined dramatically.

Also initiated in Putin’s second presidential term were revisions to the laws on non governmental groups and on “extremism”. It is widely believed that these more stringent regulations and reporting requirements were a reaction to the “coloured revolutions”, especially the Orange Revolution in Ukraine in 2004. According to the revised law regulating NGOs that went into effect in April 2006, all NGOs were required to report foreign sources of income, mission statements, strategic plans, and staff information. The reporting requirements proved so onerous that several Western based organisations including Amnesty International and Human Rights Watch were forced to suspend their operations in Russia temporarily (Anon. 2006, 34–57).

While freedom of the media and speech is guaranteed by Article 29 of the Constitution, media laws, including a 2002 law banning “extremism” in media coverage, significantly restricts the constitutional protection. The anti extremism law, amended in 2007, broadens the scope of control by including “defamation of public officials” and “actions impeding the legal activities of federal authorities” as prohibited by the media, giving federal authorities sweeping powers to interpret media coverage as “extreme” (Committee to Protect Journalists 2007). The law on extremism has also been invoked to ban some 550 religious works, including publications by the Jehovah’s Witnesses and numerous Islamic groups (Cosman 2010).

In a similar vein, Article 31 granting freedom of assembly and the right to hold rallies and demonstrations has been jeopardised through “administrative measures”. Opposition groups and political parties report difficulties in obtaining parade permits. Often they are told that no public venues in the central areas are available for their groups because other groups have already reserved all those locations. Administrative measures have also been used to challenge the signatures on petitions by opposition parties to secure a place on ballots (Myers 2007).

The pattern of selective enforcement and politicisation is often repeated at regional and local levels, where mayors and other powerful figures manipulate administrative regulations such as those that relate to issuing of business licences and construction permits, or order health and fire inspections, or even initiate criminal investigations in order to punish or intimidate their rivals. Such practices undermine public support for the courts and rule of law and run counter to constitutional norms.

Another challenge facing Russian authorities in fully implementing the Constitution is the problem of non enforcement of judicial decisions. Judicial decisions in any country are seldom self enforcing; courts must rely either on the voluntary compliance of the parties to the dispute or on enforcement measures by other agencies, such as bailiffs or marshals. Thousands of Russian citizens have successfully brought lawsuits against governmental entities over unpaid pensions, tax and insurance claims, improperly imposed fines, evictions, disability claims, damage claims against the armed forces resulting from the war in Chechnya, and any number of other issues, yet many remain unenforced.
As a member of the Council of Europe, Russia recognises the jurisdiction of the European Court of Human Rights. In recent years the court in Strasbourg has been flooded with complaints from Russian citizens concerning the failure of Russian authorities to enforce court rulings. More cases before the European Court originate from Russia than from any other of the 47 member nations; 12,000 in 2006 alone (Bigg 2007). The European Court often sides with the Russian plaintiff, but the Russian government has been slow to settle outstanding claims. In 2008 the European Court was still trying to wrap up claims for cases they heard in 2002 and 2003 (Bigg 2007). The Russian government has been severely embarrassed by repeated rebukes from the Strasbourg court and is considering measures to handle enforcement of court judgments more efficiently.

Signs of progress

The controversy over the European Court of Human Rights illustrates the degree to which the Russian government is sensitive to international law and international legal institutions. Transnational influences, such as rulings of the European Court and international human rights treaties and conventions, have proven to be important in shaping constitutional norms in Russia, whether they pertain to treatment of minorities, restitution to people adversely affected by the Chernobyl nuclear accident, intellectual property disputes, protection of the property of foreign investors, or cooperation in stemming trafficking in arms, nuclear materials, drugs, or people.

Another source of constitutional development is the judiciary itself. Alexei Trochev notes a very significant trend of judge made interpretations of the Russian Constitution that have been instrumental in expanding the realm of constitutional protections and norms beyond the explicit language of the Constitution. For example, the Constitutional Court has taken an expansive view of Article 19, which states that all people “shall be equal before the law and the court”. By the end of 2003, equality before the law had been invoked in more than 160 judgments and about 30 dissenting opinions of the court (Trochev 2008, 177). In the Court’s view, constitutional equality requires the legislature to make laws certain, clear, and unambiguous in order for them to be applied in a uniform and consistent manner. Vague and ambiguous legal rules open the door for discretion by the executive authority, and inevitably result in arbitrariness and violations of equality and the supremacy of law (Trochev 2008).

Even more remarkable has been the Constitutional Court’s effort to enshrine the principle of “fairness” into Russian constitutional law. “Fairness” only appears in the preamble of the Constitution: “We, the multi ethnic people of the Russian Federation, … honouring the memory of our ancestors, who bequeathed to us their love and respect for our homeland and their faith in goodness and fairness, … adopt this Constitution of the Russian Federation” (Preamble of the Constitution of the Russian Federation 1993). After equality, fairness is the most often cited principle in the decisions of the Constitutional Court (Trochev 2008, 179–85). The Court’s liberal practice of citing principles mentioned in the Preamble has clearly established that those principles are binding on the government and are reasonable grounds for striking down laws that fail to adequately protect such principles.

While the Constitutional Court has acted decisively to protect its power of judicial review and expand constitutional norms of fairness, equality, and proportionality, the justices have taken a much more pragmatic approach to the provision of constitutionally based social and economic rights. Guarantees of “social security in old age”, “the right to housing”, and “the right to health protection and medical assistance” were largely holdovers from the communist welfare state and the Court has been reluctant to invoke such guarantees in the midst of an economic collapse and restructuring. Facing serious budgetary constraints, the justices have tended to focus on the welfare of the most vulnerable groups in the population, such as the disabled, orphans, pensioners, and
the unemployed, who clearly lacked “equal opportunity”. Beyond these interventions, the Constitutional Court has tended to defer to the legislative and executive branches to address social security, unemployment, and housing reform.

Conclusion

Constitutions inevitably serve a number of functions: they articulate fundamental aspirations and values of a society, they establish the organisational architecture of the State, and they provide the foundations for more detailed, specific legislation. In this sense constitutions provide stability in a legal/political system.

But constitutions must also be organic. They must evolve and change with the changing needs and values of the society. The true test of constitutions is that they have the flexibility either through amendment or interpretation by legitimate means (e.g. a constitutional court) to expand the realm of rights and legal protections. By these considerations, Russian constitutional development since 1993 has been impressive.

Of course, constitutions to be legitimate and effective must also be enforced. Going beyond grudging compliance, it is vital that important constitutional provisions and values become ingrained in the citizenry and public officials. On this measure, less progress has been made in Russia over the past two decades. In fairness, however, in any society changing a legal culture is normally measured in generations, not years or even decades.

Notes

1 The number of regions was reduced in 2008 to 83.
2 The term for deputies in the Duma was increased to five years in 2008.
3 The presidential term was increased to six years in 2008.
4 In 2009 an eighth supergovernor was appointed to oversee the troubled North Caucasus region.
5 However, within a few years the federal districts became a de facto new layer in Russian executive administration.

References

Presidency

John P. Willerton

The Russian political system is led by a powerful federal level executive, the president, whose extensive formal powers and informal influences cumulate to a “hegemonic” position for the country’s chief executive. The continuing centrality of the president and the presidential administration to the country’s political and socio economic life is a core feature of contemporary Russian reality. Russia’s first two presidents, Boris Yeltsin (1991–99) and Vladimir Putin (2000–2008), proved to be forceful leaders who very much moulded the politics and socio economic realities of their times. Russia’s third president, Dmitry Medvedev (who assumed office in May 2008), did not bring comparable gravitas to the presidency, but he operated as part of a governing tandem that included his immediate predecessor in the position of prime minister. Developments of Medvedev’s first term, including the unexpected August 2008 war with Georgia, boosted Medvedev’s standing and enabled him to project a leadership persona distinguished from that of Putin. With both Putin and Medvedev having been leading members of a Kremlin team that had governed Russia since the early 2000s, their regime only further heightened the dominating position of the federal executive in Russian politics.

Post Soviet Russia adopted a semi presidential political system, set out in the 1993 Yeltsin Constitution, with executive powers divided between a popularly elected head of state, the president, and an appointed head of government, the prime minister. With the president nominating the prime minister, who needed majority support in the State Duma to assume office, the head of state was in a strong position to structure both the composition and programme of the federal government. When President Medvedev nominated the former two term president and still highly popular Putin as prime minister, a wholly new situation arose wherein the considerable formal prerogatives of the presidency were juxtaposed with the political standing and consummate experience of a presumably subordinate head of government.

The Medvedev–Putin presidential–prime ministerial tandem raised new questions about the position and power of the Russian federal presidency. Medvedev, a senior member of the Putin administration, began his presidency continuing the policy thrust of his predecessor: he addressed the wide diversity of issues on the domestic policy agenda, set out his own initiatives (especially in the area of law construction and the upgrading of the courts), successfully undertook a number of high profile foreign trips where he more than held his own with more senior world leaders, and showed himself determined and competent in dealing with the August 2008 war with Georgia over South Ossetiya. While lacking the public standing of Prime Minister Putin, Medvedev enjoyed high public approval ratings during his first term (in the 70–80 per cent range) that were comparable to Putin’s.

Understanding the real and potential powers of the federal presidency necessitates an ongoing comparative assessment of the institutional strength of the presidency with the political strength of
the position’s current occupant. Boris Yeltsin’s often poor public standing and personal weaknesses severely compromised his ability throughout much of his tenure (and especially his second term, 1996–99) to use the hegemonic presidency to affect desired policy ends. In contrast, Vladimir Putin’s political strengths and high public standing, joined with the full range of prerogatives of the federal presidency, enabled him to move an ambitious institutional and policy agenda throughout both of his presidential terms. Neither Yeltsin nor Putin were significantly constrained by the nine prime ministers who served them, January 1992–May 2008. The Medvedev–Putin power sharing arrangement, bridging the presidency and government, grounded in a long governing Kremlin team, and constructed with a powerful platform party, United Russia, as a backdrop, constituted an altered political institutional context. Its policy agenda has appeared as a continuation of the governing Kremlin team’s programme that emerged as early as Putin’s first presidential term. The Yeltsin–Putin presidencies put a premium on the re emergence of the strong federal state, with President Medvedev promoting the ongoing consolidation of the state while emphasising a fuller realisation of the “dictatorship of the law” first enunciated by his predecessor. As if to distinguish himself from his predecessor’s tenure, Medvedev emphasised the overwhelming problems of what he termed “legal nihilism” – the continuing condition of widespread corruption and seeming universal disregard for the law. He promoted a new strengthening of the courts and the judicial system, a streamlining of police–security forces, and a new assault on corruption, the problem that former President Putin had identified as the greatest shortcoming of his tenure. Medvedev also placed continuing emphasis on the National Priority Projects (i.e. agriculture, education, healthcare and housing) that he himself had overseen during Putin’s second term – programmes that enjoyed widespread elite and public support (Zen’kovich 2008, 2009).

The post Soviet semi presidential political system, with its hegemonic presidency, represents the continuation of a long term Russian tradition of a strong executive. This contemporary system with its overwhelmingly powerful executive reflects both strong public and elite preference for decisive and uninhibited federal executive leadership. There may be continuing uncertainty on the part of elites and citizens as to how to understand the governing “tandemocracy” of Medvedev and Putin, but survey results consistently revealed high levels of citizen support for the governing team.

**Constitutional role and presidential administration**

The hegemonic presidency spans an array of institutions and officials, its formal powers grounded in the 1993 Constitution (see Articles 80–93). The semi presidential system divides executive political responsibilities between a president (and subordinate institutions), who is head of state and who sets out the broad contours and directions of policy, and a prime minister and government, which are responsible for developing, implementing, and managing policies. The decision making primacy of the president is assumed in this system, and this certainly proved true for the period 1992–2008. With the president possessing the powers to nominate and remove the prime minister, the de jure and de facto deference of the prime minister, who was also responsible to the State Duma that had to approve his nomination, was assumed. Neither Boris Yeltsin nor Vladimir Putin was seriously challenged by a prime minister, albeit some prime ministers were relatively formidable figures (notably Viktor Chernomyrdin [1992–98], Yevgeny Primakov [1998–99], and Putin himself [1999]). Meanwhile, the 1993 Constitution gave the presidency a hegemonic position because it noted the legal superiority of the chief executive vis à vis other formal actors (notably the parliament), with the presidency possessing various means (e.g. presidential decrees, legislative proposals, and vetoes) by which to manoeuvre independently and advance its agenda (Huskey 1999).
A number of Putin–Medvedev period institutional adjustments bolstered the president’s position (e.g. the president’s nomination both of regional governors and of members of the Constitutional Court), but these changes only modestly expanded the already advantageous position of the head of state. The 1993 Constitution specified that the president “defines the basic directions of the domestic and foreign policy of the state” while, as head of state and commander in chief of the armed forces, the president could declare a state of emergency and martial law, call for referenda, and even suspend the decisions of other state bodies if their actions violated the Constitution or federal law. Meanwhile, the president directed the federal government through supervision of the prime minister and other ministers (in particular, the ministers of foreign affairs, defence, internal affairs, justice, emergency situations, and federal security service). If the word “coordination” better fitted the relationship between President Medvedev and Prime Minister Putin, Medvedev’s regularly televised interactions with selected ministers conveyed a directive role for the country’s chief executive in dealing with other members of his government. Medvedev, like his predecessor, also used major national addresses, including the annual reports to a joint parliamentary session and other press conferences, to promote his agenda while even more importantly further consolidating his authority.

An especially important, constitutionally permitted, means by which the president can assert himself unilaterally is through the issuance of presidential decrees (ukazy), which have the force of law (Protsyk 2004). The president has extensive constitutional leeway in issuing decrees to make both institutional and policy changes, and while such decrees are inferior to laws, they are binding so long as they do not contradict the Constitution or federal laws. Given the massive state bureaucracy, with numerous and potentially conflicting ministries, there was a desire for powerful top-down mechanisms such as presidential decrees to direct its activities. Confronting significant opposition in the parliament, President Yeltsin made extensive use of decrees. In contrast, with solid parliamentary majorities, neither Presidents Putin nor Medvedev relied heavily on decrees, although both did advance selected priority issues through decrees (e.g. Putin’s 2000 establishment of the seven federal districts and Medvedev’s 2009 advancing of civil service reforms).

Beneath the President is a presidential administration that entails a vast set of agencies and officials who assist in the development and implementation of presidential decisions. Constructed on the organisational resources of the defunct Soviet Communist Party central apparatus, this administration includes dozens of agencies and an estimated 3,000 functionaries. President Medvedev has continued to rely upon 12 directorates that comprise the presidential administration; these are directorates that were reorganised during the Putin presidency and that span the diversity of policy and supervisory interests of the federal executive. Medvedev had led that administration for a good part of the Putin presidency, and his reputation for effectively managing it was critical to positive public and elite evaluations of his leadership potential.

The composition of the presidential administration reveals the continuing dominance of officials closely tied with Putin who served in his administration. Determining loyalties to Putin versus Medvedev is difficult, however, since most of these officials also served under Medvedev when he was Putin’s chief of staff. The consensus of most observers is that Putin, as the “senior” member of the tandem, enjoys the deeper and more sustained level of loyalty of these officials. At the helm of the presidential administration is the chief of staff, or head, who guides both administrative and personnel matters and functions as a sort of eminence grise within the executive. Sergei Naryshkin, Medvedev’s chief of staff, was a long time associate of both Medvedev and Putin, having served under both within the presidential administration and the prime minister’s administrative staff. Naryshkin’s experience and ties to the tandem make him a key figure, as are other top presidential administration officials such as deputy heads Vladislav Surkov (first deputy head), Mikhail Gromov, and Aleksandr Beglov, who bring comparable past Kremlin
administrative experience while having worked directly under both Medvedev and Putin. Dozens of other top officials who lead Kremlin directorates and agencies beneath these senior officials also bring significant experience and continuing working relationships with Medvedev and Putin.

The presidential administration also includes advisory bodies that address more focused policy areas while linking the president and his team to other political actors. Although these bodies do not have constitutional status, they operate at the president’s pleasure, and similar to the presidential administration can be reorganised or abolished as the president sees fit. Notable is the Security Council, created in 1994, dealing with foreign and security issues, and organisationally administered by Putin confidant Nikolai Patrushev. With the Security Council’s membership including the prime minister, relevant ministers, and the heads of the eight federal districts, the president can use it to advance his decisions and to further influence governmental actions. It can serve as a counterweight of sorts to the Cabinet of Ministers Presidium, created in 2008 with the formation of the Putin government, although there is no evidence to suggest any institutional cleavage between these bodies. The State Council, created in 2000 by President Putin to address centre–periphery and sub federal policy issues, is another advisory body that ties the federal executive to other important political actors. Including the heads of Russia’s 83 regions, the State Council provides regional leaders with direct access to the chief executive, its presidium of eight rotating regional leaders meeting monthly. Its secretary, Aleksandr Abramov, is a Kremlin functionary who dealt with centre–periphery issues in the Yeltsin regime, was appointed to this post when it was created by Putin, and has continued to coordinate State Council activities in the Medvedev period.

In addition to the presidential administration, the federal executive includes numerous presidential representatives to most federal and sub federal institutions, with these representatives serving as liaisons to coordinate those organisations’ actions with presidential preferences. The May 2000 establishment of seven federal administrative districts (now eight, with President Medvedev’s creation of the North Caucasus Federal District in January 2010) supervised by presidential envoys heightened the president’s power. Envoys emerged as important conduits of information even as they inserted themselves in regional politics and ensured the regions complied with federal legislation and directives. Beneath the envoys are chief federal inspectors, one for each of the 83 regions, with these inspectors more involved in the political affairs of their regions. In addition, the reforms proposed by President Putin in the wake of the September 2004 Beslan school seizure further bolstered the federal executive’s position as the president was given the power to nominate all regional governors. While developments in the succeeding years revealed the President was able to replace a handful of “troublesome” governors, there was no immediate widespread replacement of one cohort of regional officials with another. The October 2010 ousting of the long serving Moscow mayor, Yury Luzhkov, whose executive position was comparable to that of a governor, revealed the considerable institutional prerogatives of the president to remove even the most well entrenched regional leader. Overall, however, the pattern of presidential nomination of governors revealed a more routinised process of renewal or replacement of governors, with even well established leaders subject to eventual replacement (e.g. that of the long serving President of Tatarstan, Mintimir Shaimiyev in 2010; Agarkov 2010). Meanwhile, Medvedev regime initiatives modestly altered the lines of communication and responsibility between these federal and regional authorities, moving some aspects from the president and presidential administration to the prime minister and government. If these changes did strengthen the position of the prime minister in the conduct of centre–periphery relations, they did not constitute a serious weakening of presidential oversight. Medvedev’s own nomination of regional governors revealed a decided propensity toward younger and more professional officials, suggesting the President was bringing “new blood” to the regions. At the same time,
Medvedev’s selection of Krasnoyarsk governor and successful businessman Aleksandr Khloponin as the presidential envoy to the newly created North Caucasus Federal District represented the advance of an official who simultaneously was publicly associated with Prime Minister Putin and exhibited the managerial and leadership practices associated with the President.

The powers of the hegemonic presidency also include informal factors beyond the constitutional prerogatives and institutional advantages that inhere with the federal executive. The chief executive’s strength is tied to his relationship with other political actors, most notably the federal legislature (especially the State Duma), and with the standing and influence of the political party that supports him. The position of the Medvedev–Putin Kremlin group has been significantly bolstered by the pervasive profile and political muscle of its platform party, United Russia, which has dominated elections throughout the 2000s and which has enjoyed a large majority in the State Duma. Whether in relying on legislation that easily moves through the bicameral parliament, or in being able to influence regional leaderships which have a pervasive representation of United Russia members, Presidents Putin and Medvedev have relied far less on the unilateral means such as presidential decrees to advance their agendas. One finds a contemporary governing Kremlin team unìt lage, one whose membership far transcends the federal executive. The importance of such informal realities is underscored when considering the experience of the previous Yeltsin regime, where the President found himself in constant struggle with the parliament and with many regional officials, lacked the support of a strong platform party, and relied on presidential decrees and other unilateral executive means to promote his interests. Ultimately, such informal factors were greatly structured by elite and public opinion, with the high levels of public support for both Putin and Medvedev during their tenures (in the 70–80 per cent range) translating into considerable political manoeuvrability on top of the institutional advantages of the hegemonic presidency. In contrast, Yeltsin had suffered from low double digit or high single digit approval ratings throughout most of his second term (Mishler and Willerton 2003).

Russian presidents

An appreciation of the reputations and legacies of Russian presidents must be set against the 74 year Soviet experience, which entailed the tradition of a strong chief executive directing a massive state bureaucracy (Brown and Shevtsova 2001). The ability of chief executives such as Joseph Stalin (1928–53), Nikita Khrushchev (1953–64), and Leonid Brezhnev (1964–82) to consolidate and maintain power within the Communist Party–state apparatus was critical to their ability to promote their policy agendas (Hough and Fainsod 1979). Indecisiveness and uncertainty, combined with a weakened state, were understood as hallmarks of failed leadership, and such was the Russian view of the period of reform and system collapse when Mikhail Gorbachev governed (1985–91). While complex and multifaceted, such would be the initial Russian judgement of the Boris Yeltsin leadership (1991–99), when system transformation efforts yielded political confusion, a continuing economic depression, and widespread corruption. Boris Yeltsin enjoyed single digit approval ratings when he unexpectedly stepped down as president at the end of 1999, but when he died in April 2007 the formal characterisation of him as “Russia’s first president” connoted a more mixed assessment of his complex presidential legacy. Indeed, his thirty year political career entailed a varied array of triumphs and setbacks (Colton 2008). A regional Communist official with a reputation for getting things done, Yeltsin had first come to national prominence in the early Gorbachev period, unexpectedly appointed to head the important Moscow Communist Party organisation (December 1985). He quickly emerged as an iconoclast, populist, and reformer whose preferences and actions seemed to fit with Gorbachev’s emergent perestroika agenda. But Yeltsin soon broke with Gorbachev, briefly fell from power and
public view, only to return through election (in 1989 and 1990) to assume a leading position in the growing reform movement. Yeltsin assumed a central role in the final collapse of the Soviet system, acting decisively as the Russian Republic president when the more cautious Soviet President Gorbachev seemed to operate as “a man of half measures”.

As Russia’s first freely elected president (June 1991), Yeltsin was the charismatic transitional figure who bridged late Soviet period authoritarianism with emerging democratic proclivities. He was both an opportunist and a pragmatist who promoted profound reform and compromise. He proved willing to navigate around formal rules to advance his power interests and policy agenda; indeed, his 1996 re election was probably the most questionable of all presidential elections held during post Soviet Russia’s first decades. Meanwhile, the logic of the Yeltsin sponsored 1993 Constitution laid the legal foundation for the hegemonic presidency that would be central to a re strengthened executive branch and federal government; a foundation that once again permitted the chief executive to direct both the massive state bureaucracy and the diverse regions.

Yeltsin’s decision making legacy was mixed and included many controversial and highly unpopular policies. Dire predictions of the complete collapse and break up of the Russian Federation did not prove accurate, and many linked the Russian state’s survival through the turbulent 1990s to Yeltsin’s strength. Yet domestic economic policies (e.g. “shock therapy” and the voucher privatisation programme) were associated with considerable public suffering and widespread corruption, while the ineffectual application of force in Chechnya undermined Yeltsin’s standing at home and abroad. This use of force in October 1993 to vanquish an opposition dominated parliament, with the deaths of hundreds in central Moscow, permanently stained Yeltsin’s reputation. Overall, continuing domestic woes, Yeltsin’s declining health, and the open manoeuvrings of many disreputable associates all contributed to the President’s increasing difficulties in governing, his presidency having entailed two serious impeachment efforts. Confused system building efforts and corrupt economic transformation emerged as the core legacy of Yeltsin’s second term.

Vladimir Putin’s two term presidency was especially significant in consolidating the political and economic foundations set during the Yeltsin period, with Russia re emerging from a nearly two decades long economic depression and the federal state, executive, and presidency returning as the most powerful political actors (Flikke 2004; Trenin 2007). Putin administration initiatives reversed most of the conditions and developments associated with Russia’s “failing state”, that “failing state” having signified a state that was losing its vibrancy and legitimacy as it failed to carry out the tasks or provide the services to which it had been committed (Willerton et al. 2005; Willerton 2007). Meanwhile, in personality, style, and policy preferences, Putin proved able not only in meeting, but exceeding, Russian public expectations, his initial 50 per cent approval rating upon assuming the presidency quickly growing into the 60–70 per cent range for the entirety of his tenure. Indeed, when he left the presidency in late spring 2008, his approval rating stood at 84.7 per cent.

Putin’s modest background and forceful yet unassuming leadership style fitted with Russian preferences. Meanwhile, he helped craft a leadership team that spanned a range of interests and elements that reflected a career past that included both security intelligence work and experience in the fledgling St Petersburg reform efforts of the 1990s (Kryshtanovskaya and White 2003). His life and career experiences of the late Soviet and immediate post Soviet periods left him subject to divergent and conflicting influences which were evident both in his rise to power and the conduct of his presidency (Sakwa 2004).

Perspectives on Vladimir Putin and his eight year presidential term were varied, and especially divergent judgments separate Russian elite and public perceptions from those of many Western
observers (Shevtsova 2005). Putin may have had good fortune in the timing of his presidency, with record energy prices significantly boosting the Russian economy. But central to the Putin legacy was the reality that after the chaos of the 1990s, the institutionalised hegemonic presidency was joined with a strong, energetic, and highly respected occupant. Renewed Russian state power was joined with leadership authority (Karppinen 2006). These considerations, taken with perceived significant domestic and foreign policy successes (Simonov 2006), were at the heart of Russian elite and public assessments of the Putin presidency (Solov’yov 2008). The extent of Putin’s authority, that is, the legitimacy of his governance, was revealed by the fact that unpopular government reforms of the second Putin term that trimmed the welfare state had no significant negative impact on Putin’s popularity. Indeed, there was much elite and public clamouring for an alteration of the constitutional limitation on more than two consecutive presidential terms so that Putin could run again in 2008. There was also widespread approval (indeed relief) that Putin retained a senior position in the Medvedev government.

The view of most Western observers was at great variance from this perspective, with the strengthened Russian state, enhanced power concentration with the federal executive, and what Russians termed decision making “streamlining” understood as undercutting domestic democratic impulses (Wilson 2005). Many foreigners saw a powerful corporatism enabling the state to increasingly dominate key industries, with the state’s consolidation of control over the media (especially the national electronic media) bolstering its ability to shape public opinion. With key members of the Putin team assuming powerful positions in many corporations (e.g. as heads or members of boards of directors), it appeared that the discredited oligarchs of the Yeltsin era had simply been replaced by Kremlin insiders. Meanwhile, suggestive impulses for the emergence of a Russian civil society were undercut by these and other developments, leaving the polity after the eight year Putin presidency said to be more authoritarian in nature, more corrupt, and pursuing a more forceful foreign policy grounded in Russia’s re-emergence as an assertive energy producing power (Goldman 2010).

Dmitry Medvedev, Russia’s third president, brought an impressive résumé and considerable high level experience to the presidency. However, as a relatively young (42) top member of the governing Kremlin team, he lacked the gravitas of his predecessor–mentor, with even his boyish countenance and short stature seen as compromising his presidential authority. When tapped by Putin to be his successor, a feat accomplished through Putin throwing his support behind Medvedev’s candidacy as the United Russia presidential nominee, Medvedev appeared as the trusted confidant and key member of the governing team who would maintain that team’s position and programmatic thrust. Again, Westerners and Russians reacted differently to the circumstances under which Medvedev rose to power. For Westerners, Medvedev’s selection and the processes by which a relatively small number of candidates made it onto the presidential ballot signified the governing team’s intention to retain power by any means – means that undercut the legitimacy of the putatively democratic electoral process. In contrast, Russians paid little attention to these developments, focusing instead on the perceived desirability of extending the governing team’s mandate. If voters well understood the numerous advantages provided to Medvedev, they voted for him anyway (70.3 per cent), and at a respectable level of turnout (69.8 per cent) comparable to earlier elections.

While Medvedev rose to national prominence as a close Putin confidant, his education and early socialising career experience differentiated him from his mentor. He grew up in a family of academics, he focused on civil law at Leningrad State University, and his PhD (1990) in private law made him an appropriate person to serve as a municipal legal advisor as St Petersburg Mayor Anatoly Sobchak advanced his reformist agenda. Medvedev’s close working relationship with Putin began in the Sobchak period, with both individuals coping with the Soviet collapse and the
dilemmas of Russia’s continuing “failing state”. Focused on various conceptual and practical aspects of Russia’s institutional legal transformation, Medvedev was intimately involved with the Putin policy agenda. Medvedev moved into the federal executive shortly after Putin’s initial appointment as prime minister, becoming deputy head of the presidential administration and heading Putin’s 2000 presidential campaign. He ascended to head the presidential administration (2003–5), subsequently becoming the first deputy prime minister (2005–8) overseeing the four National Priority Projects that were at the heart of the Putin second term programme (see Ivanov et al. 2007). Meanwhile, Medvedev simultaneously guided the state’s control over Gazprom (2000–2008), overseeing the restructuring of Gazprom’s debts, the reversal of its declining production, and the growth of its market capitalisation from US$9 billion to US$300 billion as of early 2008. Medvedev’s public profile grew during the Putin second term, he assumed a lead role in the negotiations with Ukraine and Belarus over energy prices, he flew to Belgrade to support Serbia over Kosovo’s independence (2008), and he was the only official besides Putin himself to have speeches posted at the presidential website.

Thus, Dmitry Medvedev came to the presidency with a diverse set of experiences that had attuned him to the intricacies of Kremlin politics, and his modest manner and low key style should not have misled observers regarding his administrative savvy and career ambitiousness. During his first term, Medvedev took on the full array of roles and issues that fell within his presidential purview. A continuing preoccupation with foreign and domestic initiatives from the Putin years was joined with his own policy priorities, including new emphases on an independent judiciary, expansion of personal freedoms, and heightened efforts to reverse the country’s pervasive corruption. A March 2009 presidential decree to reform and further professionalise the civil service was joined with his expressed desire that state corporations – a hallmark development of the Putin period – be privatised. Senior legal authorities were called upon to investigate these economic behemoths, many of which had come to be directed by top Kremlin officials. Medvedev also associated himself with the country’s economic modernisation and diversification, using such high profile settings as the annual St Petersburg business forums to underscore the need for technological innovation. In an especially high profile 10 September 2009 internet posted article, “Forward Russia!”, the President set out a vision that included both a detailed critique of political and economic thinking and practices that undercut Russia’s development and a hopeful enumeration of priorities for accelerated change and modernisation.

Overall, the public’s sense of Medvedev’s gravitas as a leader was bolstered by both his handling of the 2008 Georgian–South Ossetian war and his general conduct of presidential responsibilities. Yet in contrasting the perceived relative powers of the President and Prime Minister after more than a year of experience with the tandem’s rule, there was little change in the public’s judgment that Putin held more power. When asked in May 2008 in whose hands power lay, 17 per cent of respondents identified Medvedev, while 32 per cent identified Putin (40 per cent said it was equal, while another 11 per cent said it was hard to know; Levada Center, n = 1600). By September 2009, there had been little change, with 13 per cent pointing to Medvedev, 32 per cent still pointing to Putin, and 48 per cent saying it was equal. Meanwhile, another Levada survey of 1600 respondents in November 2009 found 76 per cent of respondents viewed Medvedev as continuing Putin’s policies, while only 17 per cent saw some change. Observers struggled to distinguish separate Medvedev and Putin interests and priorities, but they found little light between the two officials as they addressed common issues (www.levada.ru). Broad characterisations of the two leaders among Russian observers juxtaposed a president who was seen as youthful, a reformer, technologically driven, and an appropriate representative of the twenty-first century with a prime minister who was experienced (with occasional reference to his being “tired”), more conservative, harsh, and an appropriate figure of the later twentieth century. But both the President and the Prime Minister operated out of the same world view, both saw a strong
Russian state and economic reform as core to Russia’s revival, and both concomitantly articulated assertive positions regarding foreign and security policy (Levinson 2010).

**The evolving Kremlin team and the Medvedev cohort**

The governing Medvedev–Putin tandem rested upon a powerful and expansive governing Kremlin team that has dominated Russian politics since Putin’s rise. President Medvedev was in a strong institutional position to elevate reliable associates, building on his own past experience in the presidential administration and federal government. Meanwhile, as a core member of the Putin St Petersburg cohort of elites, Medvedev could further direct alliances and bridge linkages to other federal actors that included loyalists (e.g. the State Duma, led by Putin ally Boris Gryzlov). With Medvedev’s educational and career background tied to law, his network of associates included academics, lawyers, and officials – drawn overwhelmingly from St Petersburg – who dealt with various aspects of jurisprudence (hence the term for them, *civiliki*, a creative word juxtaposing them with Putin intelligence–security loyalists, *siloviki*). Among President Medvedev’s protégés were Justice Minister Anton Konovalov, Supreme Arbitration Court Chair Anton Ivanov, Head of the Federal Bailiffs Services Nikolai Vinnichenko, and top Gazprom (which Medvedev once overviewed) official Konstantin Chuychenko. These officials shared with the President concerns about corruption and fighting crime, as well as strengthening the law and the courts. In addition to these St Petersburg loyalists, there were other prominent officials who have worked closely with Medvedev since he came to Moscow in 1999. These officials, at the very least, were allied with Medvedev and shared his policy concerns, and they included presidential administration Chief of Staff Naryshkin, First Deputy Prime Minister Igor Shuvalov, and Deputy Prime Minister and Finance Minister Aleksandr Kudrin.

The relatively small Medvedev group must be nested in the larger Putin network, a network that reflected Putin’s career trajectory and that spanned so called St Petersburg lawyers and economists, St Petersburg political–business figures, and security–intelligence officials. While many members of this larger network moved over with Putin to assume federal governmental posts, others remained within the presidential administration. As the Medvedev presidency progressed, a number of apparent Medvedev loyalists were promoted, though generally to second tier positions, predictably in the courts and the legal system. One Kremlin watcher, Olga Kryshtanovskaya, estimated that only two of the top 75 officials in the executive branch were Medvedev associates. Meanwhile, if Putin loyalists, especially *siloviki*, continued to dominate the ranks of the executive, Kryshtanovskaya judged their numbers had dropped, from an estimated 42 to 30 by early 2010 (Kryshtanovskaya 2010).

Assessing the loyalties to the President and the Prime Minister of Putin–Medvedev network members was nearly impossible since careers among these officials were so completely interconnected. While the network rose to the heights of power under Putin, with whom many of its members had longer term relationships, many had worked directly with Medvedev over the past decade. It was true that Putin was the senior member of the tandem, even if Medvedev held the more senior state position. In the absence of concrete evidence of power or policy differences between the Prime Minister and President, it was hard to distinguish firm pro Putin versus pro Medvedev elements, though Putin’s preferential power position was universally assumed (Ivanov 2010).

**Semi-presidentialism altered with the Medvedev–Putin tandem?**

The record of the Medvedev–Putin “tandem of development” reflected the maintenance of the governing Kremlin team and a continuation of Putin policies. President Medvedev impressed many
observers as a serious politician with considerable ability, and he articulated policy concerns that occasionally accented different points from his tandem partner. Medvedev’s continual attention to problems of corruption, the upgrading of the courts, and economic modernisation was joined with such specific initiatives as the reform of corrupt police forces, the transformation of state corporations, and attention to socio-economic issues in approaching resurgent extremist violence in the Northern Caucasus (Ledeneva 2010). Moreover, he emphasised business innovation and technological diversification—from projects for computerising medicine, healthcare, and social security to the development of supercomputers—that moved beyond the more predictable Kremlin discussion of economic modernisation. Development of the Skolkovo Innovation Centre, planned as a Russian version of Silicon Valley and located outside Moscow, became a high profile symbol of this emphasis. But there were severe limitations on Medvedev’s power, especially given the lack of a supporting platform party and absence of a strong social elite network fully distinguishable from Prime Minister Putin. Considerable public speculation about Medvedev’s ability and desire to retain the presidency and run as a candidate in the 2012 presidential election continued throughout his first term. Occasional cryptic comments by both Medvedev and Putin further fuelled such speculation (Francis 2010).

A review of the Medvedev first term revealed the continued smooth functioning of the governing Kremlin team, even granting occasional commentary about putative “hair cracks” in the federal executive. The relations between the federal executive and legislature were also unusually good, unprecedented in the post Soviet period, with the Kremlin platform party, United Russia, playing a key role in ensuring stable and effective executive–legislative operations. Once again, there was a severe divide in Western and Russian assessments of the Medvedev–Putin regime. Many in the West emphasised the neo-authoritarian dominance of Russia’s “permanent leader”, Vladimir Putin, together with the bullying posture of the United Russia platform party. For their part, Russians, reacting in the wake of the turbulent 1990s, credited the continued governing team for their country’s apparently streamlined and efficient decision making, economic revitalisation, and return as an increasingly respected and influential member of the global community (Solovyov 2010).

The full significance of the Medvedev presidency for the Russian semi-presidential system with its hegemonic presidency would only be determined by the functioning and further evolution of federal institutions. It would be important to determine if the federal executive arrangements of the Yeltsin–Putin period would be essentially retained, institutionally favouring the president and leaving the prime minister and government in a subordinate position. The first years of the Medvedev presidency did not entail profound institutional changes, although some tinkering did enhance the position of prime minister and government. Meanwhile, if the standing and gravitas of Vladimir Putin lent considerable authority to the office of prime minister, it would be critical to see if that authority translated into permanent independent political power. And it would be even more important to see if such enhanced power for the head of government’s position would continue past the duration of the Medvedev–Putin tandem, as a consequence fundamentally restructuring power relations among federal executive institutions and diminishing the position of the hegemonic president.

As for President Medvedev, having been at the centre of Russian federal politics for over a decade, would his service as head of state entail functioning as a high profile member of a larger governing team that had been constructed by his predecessor, or would he prove to be a chief executive who would craft his own leadership identity and record? In all likelihood, Medvedev would need a second, now six year, presidential term to fully determine that long term legacy. Well into his first term, Medvedev appeared to many as a competent placeholder for Putin, working closely with a mentor–prime minister who many anticipated would return to the presidency, whether after one or two Medvedev terms. The expectation of many was that the Medvedev–Putin tandem would likely signify an unexceptionable phase in the continued functioning of a
semi presidential system and hegemonic presidency that had been constructed in the Yeltsin period, legitimated by the 1993 Constitution, but greatly moulded by Vladimir Putin.

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The Federal Assembly and the power vertical

Paul Chaisty

For most observers of Russian politics the presidency of Vladimir Putin decisively changed the post communist development of the Russian parliament (Chaisty 2005; Remington 2007). Putin’s efforts to create a vertically structured system of power, it is argued, removed the independence of the Federal Assembly and transformed the legislature into a law signing appendage of the regime (Remington 2008a; Novaya gazeta, 26 April 2010). This chapter will outline the ways in which the Kremlin, mainly through party control, has established its dominance in legislative politics. This dominance has had majoritarian consequences for parliamentary organisation, law making and executive oversight. These areas will form the main focus of analysis.

Treated in isolation from developments taking place in the electoral realm, the majoritarian effects of executive dominance do not appear to be far removed from what would be expected of democracies with one party governments. However, executive dominance has skewed legislative practice in other ways. The emergence of the Kremlin party United Russia as a programmatic legislative force has been curtailed in certain respects, enabling legislators to continue to pursue particularistic agendas. The weak institutionalisation of the Federal Assembly’s authority, and that of its members, also permits excesses of executive power that are increasingly the main focus of complaint by representatives in the lower and upper houses: the State Duma and Federation Council. This chapter concludes by considering whether these developments constitute a “crisis of parliamentarism” in Russia, and it discusses whether proposals for radical institutional reform provide useful ways of thinking about and responding to this “crisis”.

Parliamentary power in post-communist Russia

In the 1990s, the Federal Assembly (from 1994) and its predecessor the Supreme Soviet (1990–93) achieved a level of influence in political life that has rarely been matched by representative institutions in modern Russian history. During this decade, legislators enjoyed a relatively high degree of autonomy in law making, and the organisational arrangements and cultures of legislative institutions were shaped in large part by the actions of their members. In the event, executive control of the parliament was constrained, and inter branch relationships took the form of a complex mixture of conflict and bargaining. The conflicts that occurred in the early 1990s had tragic consequences for the Supreme Soviet, which was dissolved and then shelled by government troops in October 1993, but this did not stop the Federal Assembly from continuing to play an important role. Notwithstanding their many shortcomings, Russia’s early parliaments
were a counterweight to executive power and provided a focal point for political activity in the country.

In contrast, the first decade of the twenty-first century was defined by executive dominance of the parliament. This was a consequence of two important developments. The first was the establishment of pro presidential parliamentary majorities in the lower house, the State Duma. This political achievement gave the Kremlin levels of parliamentary support that were unachievable during Boris Yeltsin’s rule, and it enabled the executive branch to overcome the parliamentary resilience of the 1990s, which survived despite the introduction of a constitution in 1993 that substantially enhanced the power of the presidency. This change of direction was achieved at the Third Duma (2000–03) with the formation of a presidential coalition from four parliamentary party groups. This coalition also formed the basis for a new Kremlin party, United Russia, which went on to win large majorities in the 2003 and 2007 parliamentary elections. The second important development was the removal of powerful regional leaders from the upper house, the Federation Council. This change greatly weakened the political importance of the second chamber, and it eroded the relative autonomy that senators had enjoyed in the last years of Yeltsin’s rule. From 2002, popularly elected regional governors and presidents ceased to be members of the upper house, and they were replaced by a system of appointments that has proved to be much more vulnerable to manipulation by the Kremlin.

In the following sections, the impact of executive control will be assessed. This analysis will cover changes to the parliament’s internal organisation, law making role, and its capacity to oversee the activities of the executive branch.

**Parliamentary organisation**

**State Duma**

The organisational effects of executive dominance have been most evident in the State Duma. Pro presidential partisan majorities have transformed hitherto power sharing arrangements into majoritarian practices that have significantly strengthened executive control. This is clearly illustrated by changes to the formation and activities of the key leadership and agenda setting organs in the lower house.

With the election of large majorities for United Russia at the Fourth (2004–07) and Fifth (2008–11) Dumas, the method for dividing up leadership posts in the lower house was altered. At the Fourth Duma, the arrangement whereby all party leaders gained a vote of equal weight in the main presiding and agenda setting organ, the Duma Council, was replaced by a membership that consisted of the parliamentary chairman and his deputies. This gave United Russia a clear majority in the Duma Council, which no party or coalition had previously enjoyed. Although opposition parties continued to receive deputy chair positions, United Russia controlled over 70 per cent of the vote in the Duma Council (Chaisty 2005, 125).

A similar development was observed in the distribution of committee chairs. In earlier parliaments, parties bargained over the allocation of committee posts through a process known as the “package agreement”. This resulted in a situation where no one party controlled the majority of posts. After the formation of the pro-presidential coalition at the Third Duma, the new majority asserted its dominance over committee appointments, and at the Fourth Duma, United Russia gained all committee chairs in the lower house. Interestingly, the package arrangement was partly revived at the Fifth Duma. The Kremlin’s success in the 2007 parliamentary elections, which paved the way for the smooth handover of presidential power from Vladimir Putin to Dmitry Medvedev, permitted a relaxation of the tight executive control that had limited
legislative opportunities for opposition parties in the Fourth Duma. Yet, the leadership posts that opposition parties gained were still in relatively marginal committees, and United Russia retained control of the majority of committee chairs. Moreover, the parliamentary leadership took steps to assert its control over well known personalities within United Russia who had previously benefited from this system of patronage. This was illustrated by the appointment of a former Duma apparatchik, Grigory Ivliev, to head the Culture Committee in preference to two well known former chairmen: the filmmaker Stanislav Govorukhin and the popular singer Yosif Kobzon.

Majority party dominance has also shaped the *de facto* system of agenda setting within the assembly. Although United Russia has gained majority control in the Duma Council, the main discussions on the legislative agenda take place outside the Council in the parliamentary party’s main leadership organ: the presidium of the United Russia faction.² This body, which includes all the faction’s leaders, draws up the draft agenda, which is then confirmed by the Duma Council. The presidium takes decisions on the scheduling of legislation, and it decides which bills should be rejected (for example see *Kommersant*, 8 September 2009). Thus, decisions on most opposition bills are taken by United Russia’s presidium well before formal discussions on the agenda occur in the Duma Council.

The presidium of United Russia has also provided a forum for disagreements to be resolved within and between the party, Duma committees and executive organs before legislation is submitted to the floor. In the Fourth Duma, the task of co-ordinating these discussions was delegated, within the presidium, to the head of the Committee for Credit Organisations, Vladislav Reznik (Zakonodatel’nyi 2008), and in the Fourth and Fifth Dumas an advisory council of the presidium was formed to review legislation. By streamlining the decision making process, these arrangements proved beneficial to executive agencies. Whereas in previous Dumas government officials spent most of their time working with individual committees on legislation, they were more likely in the Fourth and Fifth Dumas to concentrate their efforts on the presidium of United Russia. Hence, commentators noted a marked decline in executive representation at parliamentary hearings and committee meetings (*Kommersant*, 20 November 2007), with important discussions on legislation being mainly confined to meetings of the faction. This was illustrated during the financial crisis in 2009 when key discussions on emergency budgetary legislation took place in the presidium.

The strengthening of party control at the level of the parliament’s leadership in turn constrained the autonomy of rank and file deputies. The freedom that deputies enjoyed in earlier Dumas to switch between parliamentary parties was precluded by a number of organisational changes. The right of as few as 35 independent deputies to form parliamentary party groups, which enjoyed all the rights of elected parties, was restricted by new rules at the Fourth Duma that raised the minimum membership requirement to 55. This rule change prevented the emergence of new deputy groups during the lifetime of this parliament. In the Fifth Duma, parties gained the right to form internal sub groups, but this was only to the benefit of United Russia members. Under the new rules, sub groups required at least 100 members to enjoy the privileges of *bona fide* parties (*Izvestiya*, 17 January 2008). Also, the formation of sub groups within United Russia did little to enhance the representation of different ideological and regional interests within the parliament. The sub groups that currently exist within the parliamentary faction are separate from the liberal, social and patriotic clubs that provide the basis for programmatic discussions within United Russia’s extra parliamentary organisation, despite the fact that Duma deputies are often the most influential voices within these clubs. Furthermore, parties were empowered at the Fifth Duma to replace deputies who resigned their faction membership during a parliamentary term. This ruling forestalled the party switching that was witnessed in previous Dumas, and,
combined with the introduction of a fully proportional list system for Duma elections, made the mandates of deputies more vulnerable. This became clear at the start of the Fifth Duma when the Liberal Democratic Party of Russia removed one of its members in order to vacate a seat for a wealthy businessman (Rossiiskaya gazeta, 7 February 2008). However, at the time of writing, there have been few other examples of parties using the imperative mandate to expel members.

Therefore, the organisation of the Duma has been transformed by the emergence of a pro presidential majority. In many respects these majoritarian changes have occurred in ways that are consistent with what might be expected of a parliament dominated by one party. The rules of the institution have become less inclusive, and they have significantly enhanced the control of the executive branch. However, this partyisation of parliamentary life is still subject to constraints that have limited the emergence of party authority as a serious challenge to executive power. Despite calls by senior United Russia MPs for the formation of a party based government, there has been no serious movement in this direction. Moreover, rule changes that empower party leaders had their limitations. At the time of writing, for example, it was still possible for MPs to be expelled from extra parliamentary parties and retain their mandates. Examples like these illustrate the executive’s reluctance to enhance party power further. This is also evident in the Kremlin’s relations with the upper house, the Federation Council.

Federation Council

The structure of power within the Federation Council did not change notably following the removal of regional leaders from its composition. The assembly’s internal structures remained hierarchical, with powers concentrated in the hands of its chairman. Although the chairman, Sergei Mironov, did not have the same leverage with the executive branch that was enjoyed by his predecessor Yegor Stroev, his authority relied less on his ability to build a consensus amongst regional elites, which maintained and possibly increased Mironov’s personal control.

“Descriptive” representation of the regions in the upper house declined significantly. As highlighted by one former Duma deputy chair, Vladimir Katrenko, there was an excessive overrepresentation of senators in the upper house who had no personal ties with the regions that they served (Komsomolskaya pravda, 17 August 2009). The weakness of regional power meant that the reorganisation of the assembly on a full time basis did not significantly alter the system of agenda setting. Mironov bolstered his power by limiting or precluding changes that had the potential to disperse decision making power more widely. For example, the independence that senators ought to gain from their regional mandates was undermined by the chair’s ability to recommend the recall of senators, and Mironov was criticised for exercising too much influence over the process of appointment (Samoilova 2007).

The chairman’s power also remained above party control. Despite persistent calls by United Russia deputies for changes to allow the formation of parliamentary party groups in the upper house, Mironov managed to preserve its non partisan character. In fact, one of the main organisational changes in the Federation Council was the reinforcement of rules that prohibited the creation of party groups in the upper house (Postanovlenie 2008). The composition of the Federation Council remained a point of controversy, however. At the time of writing, proposed amendments to the law on the Federation Council will require senators from 2011 to serve in the region they represent before they are appointed. This development should strengthen regional representation in the assembly, but the prospect of a popularly elected upper house is still remote.

Thus, the executive’s control of the legislature increased significantly during the presidency of Vladimir Putin. The main sources of legislative resilience in the 1990s – weak pro presidential partisan support in the State Duma and powerful regional representation in the Federation
Council – were eroded by effective presidential coalition building, electoral success, and institutional changes that diminished the representation of regional interests. This also had direct consequences for law making and executive accountability.

**Law-making**

The effects of executive dominance are most clearly visible in the legislative activities of the parliament. The formation of reliable pro presidential majorities has produced a disciplined and loyal assembly. Whereas Yeltsin vetoed well over 200 bills during the Second Duma (1994–99), presidential vetoes during the Fourth Duma fell to single figures (www.duma.ru)^4. Disagreements between the two houses of the Federal Assembly also became less frequent. In the Fourth Duma just 30 bills were vetoed by the upper house, compared with 238 in the Second Duma. However, when they did occur, these bicameral conflicts could provide an interesting insight into internal regime struggles over legislation, and sometimes they were a convenient way for the executive to block or amend bills that proved to be more unpopular than anticipated. Examples included laws on the Victory Banner in the Fourth Duma (*Kommersant Daily*, 20 November 2007) and on the transportation tax in the Fifth Duma (*Moscow Times*, 19 November 2009). These cases highlighted much greater sensitivity to the political salience of legislation after the protests that followed government reform of social benefits in 2005.

The tightening of executive control had predictable effects. The proportion of legislation initiated by either the president or the government increased significantly. Figure 8.1 shows the share of executive authored bills included in the Duma’s programme of priority legislation at the start of each session. It illustrates a notable rise in the percentage of bills introduced by either the government or the president. In the first two State Dumas, which coincided with the Yeltsin presidency, on average the executive initiated just 39 per cent of all bills included in the Duma’s *primenaya programma* (model programme); in the Fourth and Fifth Dumas this figure increased to 75 per cent. Moreover, the vast majority of private members’ bills

![Figure 8.1 Percentage of priority bills initiated by the executive branch](image)

*Notes: These data exclude treaties, which are initiated exclusively by the executive branch. (S) denotes the spring legislative session and (A) the autumn legislative session.*
introduced since 2004 were authored by United Russia deputies, often on behalf of their colleagues in the executive branch.

Thus, the legislative obstacles to the enactment of executive backed laws are slight. Commentators frequently observe that laws considered important by either the president or the government pass through the Federal Assembly without difficulty (Nezavisimaya gazeta, 22 March 2007). Conversely, bills introduced by opposition parties struggle to make headway (Moskovskii komsomolets, 7 July 2008). Even deputies from the most loyal opposition party, Just Russia, frequently complain about the significant hurdles that their bills face (Interfax, 27 January 2010). As a result, opposition deputies intent on progressing their legislative projects either seek to co-author their bills with key United Russia deputies – members of the Duma Council, committee and subcommittee chairs – or they simply allow the executive branch to assume authorship (Novaya gazeta, 26 April 2010).

By comparative standards, the Russian executive’s control over the content of the legislative programme of the parliament is not unusual. In modern polities the executive branch has emerged as the principal law maker (Mezey 1979). More striking, by comparative standards, is the relatively low proportion of bills initiated by the executive branch in the 1990s. At that time Russia was clearly out of step with many transitional and established democracies where the executive was responsible for well over 70 per cent of legislative enactments (Chaisty and Schleiter 2002, 715; Zubek 2011). Nonetheless, the greater assertiveness of the Russian executive was at the cost of legislative scrutiny, which did impact on the quality of the decision making process. The legislative function of the parliament was redefined in a number of areas, and its authority as the principal venue for legislative scrutiny was infringed by the expansion of the role of the Public Chamber in the area of law.

The Federal Assembly, and in particular the State Duma, has become less important as an arena for deliberation. The unfortunate remark by Duma speaker Boris Gryzlov that “the parliament is not the place for political discussions” (Moskovskie novosti, 16 November 2007) came to define popular perceptions of the parliament’s work. In the area of budgetary policy, for instance, the limits of the assembly’s scrutinising role were most keenly felt. To iron out disagreements during the formal readings of the budget, the government experimented with informal consultations with its coalition partners (so called “zero readings”) in the Third Duma; and, in the Fourth Duma, partly in response to the failure of zero readings to contain lobbying by United Russia deputies, the government replaced the annual budgetary process with a three year budget cycle (Kommersant Daily, 20 November 2007). This was a major blow to the parliament’s authority. The fiscal control gained by the Ministry of Finance was even able to withstand the decision to suspend the three year budget cycle in the face of the world financial crisis, which hit Russia in the summer of 2008. During the crisis the government pushed through budgetary amendments at record speed. This practice was in stark contrast to the protracted budget battles that characterised budgetary politics in the 1990s. In the words of one deputy: “Earlier when we discussed the budget in the autumn session it was the norm for members of the budget committee to return home two o’clock at night or in the morning. Would it be possible to observe that in the Duma today?” (Novaya gazeta, 26 April 2010).

In response to opposition criticisms of authoritarian behaviour by the majority party, measures have been taken to give parties additional speaking rights in the lower house. Following a boycott of the assembly in October 2009 by opposition parties, who accused the authorities of electoral fraud in regional elections, the Duma’s rules were changed to allow parties to make five minute declarations on substantive issues at the start of each plenary session (Vremya novostei, 8 January 2010). Yet this initiative was matched by other innovations that arguably encroached on the parliament’s scrutinising authority. The inclusion of the Public Chamber in the formal process of scrutiny, for example, was a challenge to the parliament’s sovereignty in this area. Initially, legislators resisted the Public Chamber’s involvement in the law making process (Stanovaya
2006), but under pressure from the Kremlin the Duma’s rules were finally amended in January 2009. The Duma Council is now required to send all bills to the Public Chamber for scrutiny before they are considered by the assembly (Tribuna, 12 February 2009).

Interestingly, the executive’s greater legislative effectiveness, which is also highlighted by the notable increase in the velocity of law making, has not negated legislative activity by deputies. Although executive bills take precedence and rarely face serious obstacles, Russian MPs still produce a large volume of laws. In fact, the volume of legislation generated by the Russian parliament continues to increase with each Duma. In the Fourth Duma, for example, over 800 bills were signed into law by the president; this contrasts with between 500 and 600 laws at the Second and Third Dumas (www.duma.ru).

One reason for the high levels of legislative productivity is the influence of particularistic lobbying in both houses of the Russian parliament. The relative decline in the political significance of the assembly, combined with a membership composition that is less ideological and more representative of business and bureaucratic interests, has meant that the assembly continues to be a hive of activity for business interests in Russian politics. In the Third Duma, for example, the number of inter party associations created to lobby on behalf of specific interests increased exponentially. According to one estimate there were more than 30 inter party groups by the end of the spring session of 2001 (Nezavisimaya gazeta, 13 September 2001). Notwithstanding the greater executive control over particularistic lobbies in the assembly, particularly in the Fourth Duma, lobbying remains an important feature of legislative behaviour. Lobbying campaigns in the Fifth Duma, such as on the law “On Retail Trade”, provided a fascinating insight into legislative conflicts within United Russia, the executive, and the business community more generally.

Although lobbying is widespread within the parliament, this does not detract from the majoritarian nature of legislative activity. The party’s key role in parliamentary agenda setting dictates that deputies require good connections within the ruling party to ensure a successful lobbying campaign. Indeed, internal discussion clubs within United Russia can provide an important basis for mobilising support on particular issues. For example, during parliamentary deliberations over the law “On Retail Trade” in the Fifth Duma, the national patriotic club of United Russia became a key voice for the interests of the producer lobby. Thus, the legislative opportunities for opposition parties have been greatly diminished. In contrast to earlier Dumas when the absence of a presidential majority necessitated cross party dialogue on legislative issues, the dominance of United Russia has marginalised the legislative influence of the other parties. Consequently, there have been far greater demands from opposition politicians for institutional changes to increase the parliament’s powers of legislative oversight. This has produced a number of innovations, but under majoritarian conditions their impact has been constrained.

Oversight

The original version of the 1993 Constitution did not clearly specify the parliament’s powers of oversight. Certain provisions of the Constitution gave the parliament the scope to develop its powers in this area—such as the power to appoint members of the Audit Chamber, a body which has the power to audit the use of budgetary funds by the state bureaucracy, or the right to hold parliamentary hearings—but other mechanisms of oversight were not mentioned, such as questions to ministers in parliament, interpellations to government ministries (zaprosy) and investigations (see Remington 2008b). In more recent times, the parliament’s powers of oversight have been formalised in a number of ways. In 2005, statutory legislation was passed that detailed rules relating to the conduct of parliamentary inquiries, and amendments to the Russian Constitution in 2008 required the government to submit an annual report on its activities to the State Duma, which is subject to questioning by legislators.
The parliament’s will to use these powers and the procedural form they have taken are heavily influenced by the political considerations of the majority party. Like all governing parties, United Russia has been faced with the dilemma of having to support the executive and hold it to critical scrutiny at the same time. During Putin’s presidency, the party was able to criticise the government without directly undermining the authority of the Kremlin; this became more difficult when Putin, as United Russia leader, took up the post of prime minister in 2008. Hence, the emphasis of United Russia leaders was on cooperation with the government rather than control, as the chairman of the executive committee of the party, Andrei Vorovyev, explained: “We don’t control the government, we cooperate with it. We engage in active dialogue and in contrast to previous Dumas this is without fisticuffs and other extravagant tricks” (Kommersant Daily, 20 November 2007).

It is not surprising therefore that the new oversight initiatives did not increase executive accountability. By 2010, just one parliamentary investigation had been conducted under the 2005 law on parliamentary inquiries. A commission was formed to investigate the circumstances surrounding an accident in August 2009 at Russia’s largest hydroelectric power station, the Sayano–Shushenskaya dam, but it lacked credibility from the outset. The Commission was established in addition to the government’s own investigation; journalists were excluded from its proceedings; and it did not call for questioning the key official involved in the affair, the former Unified Energy System CEO, Anatoly Chubais.

Constitutional amendments requiring the government to submit an annual report to parliament also had little immediate effect. This was partly for political reasons, but it was also the result of the detailed rules governing the process. Although opposition factions were given the right to ask questions and express their opinions on the activities of the Government, there was no room for improvisation. All questions to the prime minister had to be submitted to the parliament’s Rules Committee for approval; the Duma Council determined the number of questions that parties could ask; and the list of questions was sent to the government in advance. As a result, the annual reporting procedure has to date been little more than a platform for the government and the prime minister to showcase their achievements.

Obviously, these powers could gain greater significance if political circumstances were to change. In different conditions the investigative power of the parliament and the Duma’s constitutional right to question the prime minister could prove a significant resource. But, this would also require a significant loosening of executive control. So far, there is little evidence to suggest that this is a possibility. Indeed, executive dominance appears to be eroding other mechanisms of parliamentary oversight. In the Fourth Duma, the legislature’s power to audit the state bureaucracy was constrained by amendments to the law on the Audit Chamber, which de facto limited the Federal Assembly’s power of appointment. Under the new rules, the president was empowered to nominate candidates for appointment. The use of interpellation powers by deputies was also undermined by a number of scandals. In the Fifth Duma, the head of the Public Prosecutor’s Investigative Committee, Aleksandr Bastrykin, accused deputies from all parties of abusing their interpellation powers by requesting that the Public Prosecutor conduct criminal investigations into the activities of political and business opponents (Kommersant Daily, 19 November 2009). In the same Duma, Communist Party MPs alleged that the assembly’s Ethics Commission was being used by the governing party to reprimand Communist deputies for exercising their interpellation powers (Pravda, 20 March 2009).

A crisis of parliamentarism?

Explanations for the parliament’s subordination to the executive branch differ. For some scholars and practitioners, the structure of political power lies at the core of the problem (Fish 2006).
Communist analysts like Sergei Vasil’tsov and Sergei Obukhov (2008), for example, view the principles of parliamentarism as incompatible with the 1993 Constitution. Taking a traditional, Lockean understanding of government as their normative point of reference, they argue that the 1993 constitution removed the defining feature of parliamentarism: the privileged position of the parliament in a system of power that clearly differentiates the authority of the legislative and the executive branches. In their view the institutional division of power is absent in Russia. Quoting their party leader, Gennady Zyuganov, the Kremlin they argue “appoints all, dismisses all, and is accountable to no one”. These views are not just confined to critics of the regime. The head of the Russian presidential administration during the crisis of October 1993, Sergei Filatov, dates the demise of parliamentarism from the same period: “Parliamentarism in Russia”, he argues, “only has a very brief history. In fact, it is limited to the period from 1990 to 1993, because that was the time when there was division of power and, particularly important, the country’s parliament was playing the leading role in our life. This is what parliamentarism means” (Interfax, 26 May 2006).

The logical corollary of this view is the demand for fundamental structural change: parliamentarism will only emerge, it is argued, when the division of power between the branches of government is reorganised. The philosophical basis for this position may be liberal, but its political strategy has Marxist underpinnings. The view that the contradictions of the Russian political system have created a “crisis” of parliamentarism necessitates revolutionary solutions. However, in practice Russia’s parliamentary opposition has not pursued an anti system, “perestroika 2” approach to institutional matters. The boycott of the Duma by opposition parties in October 2009 and votes of no confidence in the government in previous parliaments may have contained elements of more radical politics, but the will to campaign for systemic reform is weak.

There are also shortcomings to this type of analysis. The experience of Russian politics in the first three Dumas shows that the legislature can exercise independent influence within this system of power. Research on Russian law making, in particular, highlights how executive power has its limits when the president lacks political support in the legislature, even within the confines of the 1993 Constitution (Remington et al. 1998; Shevchenko and Golosov 2001; Chaisty 2006). The mixture of power sharing and conflict that characterised the early parliaments is what might be expected of a modern legislature. Conversely, the emergence of executive dominated, majoritarian parliaments is not unique to Russian “superpresidentialism” either. The liberal paradigm of parliamentarism underwent significant revision in the twentieth century, with most scholars recognising that the Lockean idea of assemblies as sovereign law makers was an ideal that no longer existed in the modern world (Blondel 1973; Mezey 1979). In this analysis, the primary functions of modern assemblies were quite different, with particular emphasis being placed on executive scrutiny and deliberation (Norton 1990).

This more realistic view of the role of legislatures has its advocates in present day Russia. In their analysis, the solution to the crisis of parliamentarism lies elsewhere: the revival of competitive elections (Novaya gazeta, 26 April 2010). This would, it is argued, provide greater impetus to the emergence of a parliament that is more representative, deliberative, and ultimately more capable of executive scrutiny. Within the parliament there are also MPs who recognise the merit of non revolutionary, incremental change. For instance, Just Russia member Gennady Gudkov has been a consistent advocate of ways to enhance the parliament’s oversight capacity. Drawing on German experience, he has championed the creation of a parliamentary oversight (kontrol) commission to enable legislative monitoring of the state bureaucracy. In the context of presidential campaigns against corruption this proposal has potential, and it would be an important development for the Federal Assembly, especially given its limited constitutional powers of oversight. However, it is a long way from being realised.

Any significant change to political–executive relations will require either a transformation of electoral competition or the realisation by the Kremlin that the strengthening of parliamentary
power is in its best interest. This would be a major political undertaking. Both the ruling party and the executive bureaucracy have a vested interest in preserving the status quo. It will take a far sighted and politically secure leadership to reach the conclusion that a greater role for the parliament would have benefits for the political system as a whole.

Notes
1 This coalition was formed in spring 2001 from the Unity, Fatherland All Russia, People’s Deputy and Russian Regions parliamentary party groups.
2 Parliamentary parties are also known as factions if they gain more than 7 per cent of the vote in a general election (5 per cent before 2007).
3 One example was the MP Igor Kasyanov, a former head of the Kirov branch of the Just Russia party, who was expelled from the party after telling voters to support United Russia during the 2007 election campaign. Despite this disloyalty, Kasyanov refused to resign from the Just Russia faction and held on to his parliamentary mandate at the Fifth Duma. See Kommersant FM (2010).
4 These data include statutory and constitutional legislation; treaties are excluded.
5 The Public Chamber was formed in 2005 to promote dialogue between civil society organisations and the state. The Kremlin exerts significant influence over the appointment of its membership.
6 This law imposed a number of costs on retailers to the benefit of producer groups, including the right of the government to impose a cap on retail prices under certain circumstances. It was the target of lobbying by many different economic interests. The law divided the executive branch, and parliament played an important role in resolving the conflict. See Stanovaya (2009).

References
Neo institutional scholars share the belief that different institutions can produce different incentives for the same political actors. Institutional incentives are believed to shape how politicians work with one another, which policies they address, and how they seek to resolve political conflict. When well formulated, institutions may balance personal ambition to elicit good government. When poorly formulated, however, institutions may hinder good government by allowing ambition to work against the greater interests of society as a whole. Since the initial selection of institutions sets the framework in which the game of politics will be played, how institutions are designed takes on a great deal of significance. According to Lijphart (2004, 99), “The most important choice facing constitution writers is that of a legislative electoral system”. Legislative electoral systems translate votes into seats and help determine the strength of political parties in parliament, which in turn has ramifications for the representation of societal interests, government formation, and policy making.

The scholarly literature on electoral system effects is long and rich, often focusing on the relationship between electoral systems choice and the number of parties in a country’s party system (e.g. Cox 1997; Lijphart 1994; Rae 1967; Taagepera and Shugart 1989). Riker (1982), in particular, identifies research on Duverger’s Law as evidence that political science is a discipline with a research tradition that has produced an accumulation of generalisable knowledge. As Riker notes, a substantial body of work has examined empirically Duverger’s classic assertion that “the simple majority single ballot system favours the two party system” (italics in the original, Duverger 1954, 217) as well as his hypothesis that “both the simple majority system with the second ballot and proportional representation favour multi partisan” (italics in the original, Duverger 1954, 239). Most of these studies also emphasise Duverger’s less famous observation that the influence of simple majority single ballot systems is limited to the constituency level (Duverger 1954, 223).

While Duverger’s work has made a profound impact on the study of electoral systems and party systems, scholars have questioned the extent to which electoral laws affect party systems. For example, Grumm (1958) notes that where multiparty systems already existed, proportional representation (PR) was adopted because political elites wished to avoid the political gamble associated with moving toward a single member district (SMD) plurality system (what Duverger calls simple majority, single ballot). Likewise, Lipset and Rokkan (1967, 30) argue that, given the role party strategists play in electoral legislation, it makes little sense “to treat electoral systems as independent variables and party systems as dependent”.

9

The Duma’s electoral system
Lessons in endogeneity

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A direct challenge to Duverger’s Law comes from Colomer (2005), who seeks to turn Duverger’s Law on its head. In a study of 219 elections across 87 countries since the nineteenth century, Colomer presents evidence to suggest that existing political actors determine electoral system choice. He argues that electoral systems, on their own, do not generate new party systems; rather they merely “crystallize, consolidate or reinforce previously existing political party configurations” (Colomer 2005, 1).

Research into the origins, effects, and evolution of the electoral system governing the lower house of Russia’s legislature, the Duma, has made many welcome additions to our understanding of the interplay between political interests and electoral system design. With Imperial Russia, the Soviet Union, and now the Russian Federation serving as such a prominent case in the study of comparative politics, insights from this part of the globe are nearly impossible to discount. As such, it is worth taking stock of the lessons from the Russian case.

The origins and effects of Russia’s initial electoral system

In a study of electoral system effects across six countries in post-communist Europe, Moraski and Loewenberg (1999) illustrate how institutional choice reflects the expectations of their designers and subsequent reactions to electoral outcomes. The authors depict the evolution of national electoral systems in East–Central Europe as passing through three stages. In the first stage, electoral laws were adopted to govern what would become transitional elections. In the second stage, laws for fully competitive elections were adopted with particular emphasis on the prospective results of the elections. In the third stage, electoral laws were modified, often in an attempt to address unexpected outcomes from the second stage. The framework provides a reasonable starting point for a description of how Russia’s post-Soviet electoral system has evolved.

The design of the electoral system for Russia’s first fully competitive legislative elections occurred after the collapse of the Soviet Union. Equally important, it was adopted after more than a year of executive–legislative gridlock between President Yeltsin and parliamentary opponents of his plans for economic and political reform (see Colton 1998; Sakwa 1996; Willerton 1994). In September 1993, the conflict peaked. President Yeltsin declared that the parliament was making reform impossible and, on 21 September, despite lacking the constitutional power, he issued a series of decrees offering a solution to the political gridlock. Yeltsin disbanded the parliament, stripped all deputies of their legal mandates, and set new federal parliamentary elections for December 1993. In response to the president’s actions, Yeltsin’s opponents refused to vacate the parliamentary building and voted to impeach him for violating the constitution in place at the time. The standoff ended in violence on the weekend of 3–4 October as the forces backing the president clashed with paramilitary units opposing him.

As Moser (2001, 25) emphasises, the political context in Russia during the fall of 1993 had important implications for how the electoral system was designed. Following the forcible disbanding of the Russian Congress of People’s Deputies, President Yeltsin enjoyed a free hand when it came to institutional design. The exclusive nature of the process granted Yeltsin and his supporters the opportunity to design an electoral system, as well as a constitution, that could serve their electoral and political interests. Second, the intense conflict between Yeltsin and his opponents – including a communist–nationalist opposition – leading up to the crisis produced even greater incentives for those in power to adopt rules that would favour reformist parties.

Yet, given the freedom that the president and his advisors enjoyed, the choice of a mixed electoral system for the Duma – one with both PR and SMD plurality components – may seem surprising. Conventionally speaking, one would expect such an option to result from
political compromise, with the former component appeasing smaller parties and latter working to the advantage of larger ones. In a way, Russia’s initial electoral system did emerge from compromise, but one that occurred internally rather than among rival parties.

Empirical work on the question agrees that, while Yeltsin and his inner circle wished to maximise the number of pro Yeltsin and pro reform deputies in the new Duma, there was great uncertainty about which type of electoral system would yield this desired result. Participants in the process, interviewed by Smith and Remington (2001, 98), actually expressed great uncertainty about what the new parliament would look like under any electoral system. Thus, debates on the issue often turned on the comparative advantages and disadvantages of different systems. Proponents of SMD plurality asserted that this system would over represent the most popular group in the country. So, based on their understanding of Duverger’s Law, some advisors advocated SMD plurality because they believed pro reform parties would win support from voters who would not want to waste their vote on minor parties. Indeed, there was a sense that the voting dynamics under SMD plurality would encourage pro reform parties to coalesce, as would the anti reform parties, possibly resulting in a two party system with the pro reform bloc dominating in the foreseeable future.

On the other side of the debate, however, critics of SMD plurality pointed out that the grass roots organisation and local positions of Communists would work against pro Yeltsin parties, particularly outside the reformist strongholds in Russia’s urban areas. Proponents of PR also questioned whether reformist parties could unify into a single party or bloc, especially in the limited time available, to actually benefit from the over representation that SMD plurality grants to large parties (Smith and Remington 2001, 99). Without sufficient electoral coordination, the competition of multiple reform candidates within one district would run the risk of dividing the pro reform vote and electing anti reform deputies. In contrast, then, these advisors viewed a PR system as providing reformers with the best chance of capitalising on continued anti Communist sentiment (Moser 2001, 26).

While uncertainty obscured the electoral prospects for pro reform parties under SMD plurality and PR, certain advisors, like Viktor Sheinis, offered normative reasons for a mixed system. Sheinis contended that an SMD component would permit voters the chance to select local representatives, and that there was significant value in having individual deputies represent specific geographic constituencies. At the same time, Sheinis and others believed a large PR segment would encourage political parties to form and compete with one another on the national stage. Elites would work together to create electoral associations to get on the national PR ballot while voters would be compelled to choose on the basis of partisan labels (Moser 2001, 26). Taken together, then, President Yeltsin and his advisors not only faced an electoral context that encouraged them to hedge their bets and adopt a mixed system, but also had normative reasons to move in that direction.

Remington and Smith (1996, 1256–7) provide a nice summary of the key features of the parliamentary electoral law governing the December 1993 Duma elections. The new Duma could consist of 450 deputies, with half (225) elected from party lists on the basis of the vote share that each party managed to attain in a single, nationwide electoral district. However, the proportionality of this half of the election was limited: the new electoral law included a 5 per cent legal threshold, meaning that parties had to receive at least 5 per cent of the national vote total through the list vote to be allocated one or more of the 225 PR seats. The other 225 Duma deputies, meanwhile, were elected in SMD plurality contests – that is, 225 deputies were elected from 225 geographic districts, with the candidate receiving the most votes winning the district seat. The threshold for victory in 1993, then, was much lower than in the March 1990 elections to the Russian Congress of People’s Deputies, when run offs were held for contests in which no
candidate received an absolute majority of votes. In addition, the turnout threshold for a district race to be valid was lowered between 1990 and 1993, from 50 per cent to 25 per cent. The new electoral system also included a new ballot paper. During the Soviet era, voters had to cross out all unwanted choices. On the new ballot paper, voters merely needed to mark the box next to their preferred candidate or party. Voters still could express their discontent with all candidates and parties on the ballot, however, thanks to the presence of an “against all” option.

The upper house of the Russian legislature, the Federation Council, was elected using a different method. In 1993 only, Yeltsin decreed that members of the Federation Council would be chosen through direct election through two-member plurality contests (i.e. the two candidates from each subject of the federation receiving the most votes became the region’s representatives). As Remington and Smith (1996, 1257) point out, though, this provision contradicted the constitution that was being voted on by referendum at the time. According to the 1993 Russian Constitution, the Federation Council was to include two representatives from each region with one representative from the regional executive branch and the other from the regional legislative branch. Subsequent methods of selection to the Federation Council have more closely followed this constitutional imperative.2

The 1993 election

By all accounts, the results of the 1993 Duma election were viewed as a defeat by Yeltsin and his supporters. As expected, the PR component did allow a large number of parties representation. Of the 13 that competed, eight electoral blocs passed the 5 per cent threshold. Five of the eight garnered less than 10 per cent of the nationwide PR vote (see also Moser 1995). The surprise, however, was the success of an extreme nationalist party operating under the misnomer, the Liberal Democratic Party of Russia (LDPR). With a charismatic leader in Vladimir Zhirinovsky and skilful use of television coverage, this electoral underdog won the largest share of the PR vote and the largest share of the PR seats. As Huskey (1996, 466) puts it, “the strong showing of Vladimir Zhirinovsky in December 1993 and 1995 reminds us that, in an era of crisis and video politics, extremist politicians may rise to power on a wave of popular frustration”.

Russia’s Choice, the party most closely associated with President Yeltsin, came a distant second with 14.5 per cent of the vote and only 40 PR seats (see Table 9.1). In third place was the Communist Party of the Russian Federation (KPRF) with 32 PR seats thanks to about 12 per cent of the PR vote. While Russia’s Choice managed to win the largest share of SMD seats among all electoral blocs competing, its total of 30 fell far below the number of independents elected in district elections in 1993. In fact, with 146 SMD contests going to independent candidates, independents won more of these seats than all the electoral blocs combined. On the normative side of the equation, there are reasons to question the role that political parties played in Russia’s 1993 election. According to Moser (1995, 379), even in the PR half, party influence was superficial as “party organizations remained personalistic, organizationally amorphous, and ideologically ambiguous”.

According to Breslauer (1999), the stunning defeat of reformists in 1993 was a serious blow to Yeltsin, not only politically but personally. Following the 1993 elections, President Yeltsin’s leadership style changed with a more patriarchal tendency predominating. Like others in power across the post communist space, Yeltsin and his entourage moved to correct the electoral system’s unintended consequences and promoted changes that were expected to produce outcomes that would better serve the President’s interests. Specifically, Yeltsin proposed an increase in the number of SMD seats (to 300) at the expense of the PR tier (Remington and Smith 1996, 1271). According to Moser, this move did not reflect an expectation that the electoral fortunes of
reformist parties were greater in SMD plurality contests; rather, it was based on the realisation that independent deputies were more susceptible than partisan deputies to “presidential pressure and pragmatic exchanges of legislative support for pork barrel projects” (Moser 2001, 26). The President’s proposed electoral reform failed, however. Incumbent deputies, including many from Russia’s Choice and other reformist parties, proved vested in the existing system and its equal distribution of seats across the two halves (Remington and Smith 1996, 1277).

### The 1995 election

The Russian Federation held its second round of fully competitive legislative elections in December 1995. Given the sudden nature of the 1993 elections, members of the first Duma were elected only for a two year term. Subsequent Duma deputies would be elected for four year terms. Perhaps the biggest change between the 1993 and 1995 Duma elections with ramifications for Russia’s party system was the longer time that parties and candidates had to prepare. In 1995, the number of parties competing in the PR half of the election jumped dramatically to 43 parties. The increase occurred despite the decision to raise the signature requirement for registration from 100,000 to 200,000 (Moser 1997, 291).

The significance of the rise in the number of parties is well documented (see Moser 2001; Remington and Smith 1996; Rose 2000). For Moraski and Loewenberg (1999), the Russian case illustrates how much of an effect legal thresholds can have on election results. In 1995, almost half of the PR vote went to parties that failed to pass the 5 per cent legal threshold. In fact, only four parties overcame this hurdle: the Communists, the Liberal Democratic Party, the reformist party, Yabloko, and the pro Yeltsin party and new “party of power”, Our Home is Russia. Given the proliferation of parties between 1993 and 1995, as well as the willingness of many voters to cast ballots for these parties (thanks in part to the surprising success of the LDPR in the previous election), the mechanical effect of Russia’s legal threshold in 1995 was to vastly over represent

### Table 9.1 Electoral allocation of Duma seats for notable parties and independent candidates, 1993-2007

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<tr>
<td>Communist Party</td>
<td>32</td>
<td>16</td>
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<td>58</td>
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<td>40</td>
<td>12</td>
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<td>LDPR/Zhirinovsky Bloc</td>
<td>59</td>
<td>5</td>
<td>50</td>
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<td>0</td>
<td>36</td>
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<tr>
<td>Yabloko</td>
<td>20</td>
<td>3</td>
<td>31</td>
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<td>Our Home is Russia</td>
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<td>Unity</td>
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<td>United Russia</td>
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<td>Rodina (Motherland)</td>
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<td>Just Russia</td>
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<tr>
<td>Independents</td>
<td>146</td>
<td>77</td>
<td>114</td>
<td>68</td>
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Notes: The data presented are number of seats. They come from www.russiavotes.org (downloaded 13 May 2010) with the exception of the 2003 SMD total for United Russia (see note 6). To calculate seat percentages, divide the figures by 225 for the elections prior to 2007 and by 450 for the 2007 results. – indicates that the party did not compete or that, for independents in 2007, they could not compete.

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Russia’s most popular parties. The Communist Party, in particular, benefited, winning 44 per cent of the PR seats with only 22 per cent of the votes. Still, the LDPR, Yabloko, and Our Home is Russia were advantaged as well. The disproportionality of the 1995 Duma election is an important case underpinning Moraski and Loewenberg’s (1999, 168–69) conclusion that one unanticipated effect of the use of legal thresholds for PR systems across Central and Eastern Europe has been their heightened sensitivity to swings in electoral opinion, leading them to behave more like plurality systems in established democracies.

For Moser (2001, 40), however, the more dramatic consequences of Russia’s mixed electoral system are associated with the SMD plurality elections. He notes that not only did the 5 per cent barrier fail to deter the proliferation of small parties, but also that the level of fractionalisation in the district elections was strikingly high. In both 1993 and 1995, the average effective number of candidates was substantially higher than Duverger’s Law would predict for SMD plurality contests: 5.48 for the former and 6.61 for the latter (Moser 2001, 37). At the same time, the plurality half of the election did not produce the high level of disproportionality that Duverger’s Law would lead one to expect. Thus, Moser (2001, 42–43) finds that the cumulative effect of Russia’s mixed system in 1993 and 1995 diverged from conventional expectations. Mixed electoral systems are expected to yield a moderate number of parties, with the PR tier compensating for the higher disproportionality levels coming from SMDs. In Russia, however, the two halves combined to produce even greater fractionalisation than would have occurred had either system been used in isolation.

According to Moser (2001), the effects of Russia’s mixed system stem from its unlinked nature and the lack of party institutionalisation in the country. Not only was each party permitted to keep every seat that it won in either half of the election, but, in 1995, no party other than the Communists performed well in both halves. Those that were successful in the PR contest tended to struggle in the SMD plurality races, while other parties, such as the Agrarians, that failed to overcome the 5 per cent threshold in the PR segment managed to secure SMD victories. After extending his analysis to other post communist states, new democracies outside the region, and consolidated democracies using mixed electoral systems, Moser highlights how the institutional effects of electoral systems depend on social context: “In Russia, the absence of an institutionalized party system dramatically changed the reductive effects of PR and plurality systems themselves” (Moser 2001, 55).

The results of the 1995 Duma election once again should have provided incentives for change. While Russia’s Choice competed in the 1995 contest, the Kremlin supplied the electorate with a new party of power, “Our Home is Russia”, which was headed by then prime minister Viktor Chernomyrdin. Our Home is Russia outpolled Russia’s Choice in the PR vote, 10.1 per cent to 3.9 per cent, but, even combined, the two parties still failed to win as much support as Russia’s Choice did in 1993. Worse yet, Our Home is Russia came a distant third in the PR vote, closely behind the LDPR but well behind the Communists. Adding in Our Home’s 10 SMD seats to the party’s total was enough to push the new party of power ahead of the LDPR for second place overall (thanks to the LDPR’s dismal showing of one seat in the SMD tier). However, the KPRF’s 58 SMD seats gave it a commanding plurality of 157 total seats in the new Duma (see Table 9.1).

In sum, if the results of the 1993 Duma election were a defeat for the Kremlin, then the 1995 elections could be viewed as a disaster. Still, the Kremlin and the reformist camp, in general, learned a valuable lesson from the 1995 Duma election and it was one that the opponents of the SMD plurality option foreshadowed: the failure of liberal parties to coordinate not only fractured the party system but it also led to the over representation of their communist and nationalist opponents.
The 1999 election

Yet, as Remington and Smith’s (1996) work anticipates, changes to Russia’s electoral system for the 1999 Duma election were again minimal, reflecting the institutional inertia that comes when the prospects for change depend upon those believed to benefit from the status quo. Still, Russia’s Central Election Commission (CEC) was charged with refining the electoral law for 1999 so as to prevent a recurrence of the severe disproportionality that accompanied the 1995 election. Among the changes made, the CEC verified 20 per cent of the 200,000 signatures required for inclusion on the ballot. In addition, the CEC disqualified parties with 15 per cent or more invalid signatures and disqualified candidates who failed to submit accurate income and property statements, had a criminal record, or were foreign citizens. The disqualification of any of the top three candidates on a party list or 25 per cent of a party list would disqualify the entire party from competition (Brudny 2001, 156).

The 1999 election law also included other innovations. First, a deposit roughly equivalent to US $77,000 was introduced, which could be used in lieu of signature gathering. If a party failed to garner at least 3 per cent of the PR vote, this deposit would not be returned. At the same time, while all parties were granted free access to television and radio, the CEC required those parties failing to win 2 per cent of the PR vote to reimburse the state for the costs of advertising. Lastly, the 1999 election law stipulated that candidates running on both a party list and in a single member district could not use the free television and radio time designated for promoting the party list to promote themselves. Together, these changes appear to have been effective, reducing the number of parties from 43 in 1995 to 26 in 1999 (Brudny 2001, 157).

Though the changes to the electoral system were relatively minor for the 1999 Duma election, the party system witnessed more significant developments. Specifically, learning lessons from 1995, Russia’s more liberal politicians strove to present a united front in the aptly named party, Union of Rightist Forces (SPS). A main exception to the consolidation on the right was the continued independence of Grigory Yavlinsky’s Yabloko, one of only four parties to compete in all three Duma elections through 1999. While SPS performed fairly well nationally, with 8.5 per cent of the PR vote, Yabloko’s vote total continued to decline: from 7.9 per cent in 1993 to 6.9 per cent in 1995 to 5.9 per cent in 1999 (Rose 2000, 55). On the left, the KPRF established itself as the dominant party, building upon its 1995 successes and receiving over 24 per cent of the PR vote. The LDPR also competed again in 1999, but this time as “the Zhirinovsky bloc”. By 1999, the LDPR’s political trajectory was clearly in decline, down to 6 per cent of the vote in 1999 after dropping from 22 per cent in 1993 to 11 per cent in 1995 (Rose 2000, 55).

The main headline from the 1999 elections was the rise of two rival centrist parties, both with claims to the title “party of power”. On one side, Fatherland–All Russia emerged as a coalition of former prime minister Yevgeny Primakov, Moscow mayor Yury Luzhkov, and several regional leaders including Tatarstan president Mintimir Shaimiyev. In response to this centre left “party of power”, the Kremlin assembled its own centrist – though, presumably, centre right – party of power, Unity, in October 1999 (McFaul 2000, 29). While Unity enjoyed the support of billionaire, Boris Berezovsky, and the state run media, media oligarch, Vladimir Gusinsky, as well as several regional TV stations, including Moscow’s TV Tsentr, backed Fatherland–All Russia (McFaul and Petrov 2004, 24).

Although the 1999 election campaign was fierce, Rose (2000, 54) emphasises the degree to which it departed from the functions commonly associated with democratic elections. Not only were Unity and Fatherland–All Russia “fuzzy focus parties”, but they exemplified the degree to which Russian elites could supply different parties from election to election, presumably in an effort to subvert accountability. The SMD portion of Russia’s electoral system proved equally
problematic. As in 1993 and 1995, independent candidates won the plurality (114) of SMD seats in 1999 (see Table 9.1). Yet, since effective participation in the Duma entails joining a party or organising a party faction, the behaviour of independents once in office significantly altered the composition of the Duma, and in ways that had little to do with the popular vote. Most dramatically, three “convenience” parties (i.e. legislative parties that did not compete as electoral parties) formed after the 1999 election: People’s Deputy, Russian Regions, and the Agro Industrial bloc. Together they constituted almost a third of the seats in parliament (Rose 2000, 55). While both sides of Russia’s mixed electoral system yielded fewer effective parties or candidates in 1999 than in previous elections, Moser (2001, 153) still finds similar electoral system effects: “Both PR and plurality elections allowed for rather significant party proliferation, and once again, the cumulative effect of the two tiers created even greater party fractionalization in the State Duma.”

With the March 2000 election of President Vladimir Putin, Russian observers anticipated significant changes in Russia’s political system, including how elections would be held. McFaul (2000), in particular, ventured to provide some expert projections. Most relevant is McFaul’s insight into rumours about election reform that were circulating among President Putin’s advisors at the time, specifically, the possible elimination of the PR tier of the Duma’s electoral system. In general, the suspicion was that this and other institutional changes “could resurrect a system dominated by a single ‘party of power’” (McFaul 2000, 30). President Putin did not disappoint, although he probably did surprise. Among Putin’s first term reforms were changes to the Federation Council’s membership, the creation of seven federal districts to oversee the operation of politics in Russia’s often unruly regions (Hyde 2001; Remington 2003; Ross 2003), the decision to mandate more uniform electoral systems for regional legislatures (see Golosov 2004), and the passage of a new party law requiring parties to re-register while demonstrating some degree of national organisation (Bacon 2004; Moraski 2006; Wilson 2006). Still, Russia’s electoral system remained largely unchanged for the 2003 Duma election, although the results certainly fuelled speculation that a dominant party state had begun to emerge.

The 2003 election

With the union of Fatherland–All Russia and Unity, Russia’s party of power had changed once again, this time emerging as United Russia. The 2003 Duma election provided some evidence that the electoral system was working in the party of power’s favour. United Russia not only won 120 party list PR seats (or 53 per cent) with 37.6 per cent of the national vote, but 103 seats in the SMD plurality contests. United Russia’s total of 223 seats plus those it gained through bandwagoning (see below) gave it an outright majority in parliament. Its closest competitor was the Communist Party (KPRF), which came in a distant second with a total of 52 seats (40 PR and 12 SMD). Meanwhile, Russia’s two main liberal parties – Yabloko and the Union of Rightist Forces – failed to pass the 5 per cent legal threshold. They ended up with four and three seats, respectively, all of which came via SMD elections. Although the liberals’ defeat should be viewed in the context of the wild popularity of President Putin (Ryzhkov 2004), the Kremlin’s control of all major national television stations and selective persecution of those oligarchs who financially supported Russia’s opposition parties also facilitated United Russia’s victory.

The only parties besides United Russia and the KPRF to pass the 5 per cent legal threshold in the PR half of the 2003 election were two nationalist organisations – the Liberal Democratic Party and Rodina (or the Motherland bloc). The Liberal Democratic Party of Russia’s share of the PR vote of over 11 per cent boosted the party back up from its dismal 1999 showing and probably
reflected its willingness to serve as a relatively reliable Kremlin ally. Rodina, meanwhile, was commonly seen as another Kremlin project, supplied from above a few months before the 2003 elections with the intent of siphoning votes away from the KPRF. And, indeed, the KPRF’s 2003 seat total was reduced almost to its 1993 level. Meanwhile, many deputies elected as independents or as candidates of smaller parties joined the ranks of United Russia once in parliament. This bandwagon effect made Rose’s (2000) concerns about supply side politics dominating Russian politics seem prescient as United Russia enjoyed control over two thirds of the Duma seats, enough to pass constitutional amendments.

Despite the election outcome, some scholars remained optimistic that the move toward more authoritarian practices in Russia might prove to be a democratic “eclipse” rather than a “sunset”.7 McFaul and Petrov (2004, 20), for example, found comfort in the fact that Russian elections had become “thoroughly institutionalized” with little changes to the basic electoral laws. At the time, the only major change was the 2002 decision to raise the legal threshold from 5 per cent to 7 per cent, but for the 2007 election not the 2003 one (Moraski 2007, 537). In other words, while the third stage of electoral system reform that Moraski and Loewenberg (1999) identified in other post communist cases may have been taking place, the change was slight and the implementation gradual. Yet more sweeping changes were on the horizon.

After Putin’s March 2004 re-election as President and a spate of terrorist attacks in the autumn, the Kremlin introduced another series of reforms to change the electoral system even more dramatically for the 2007 Duma election. Rather than eliminate the PR option for the election of half of the Duma’s deputies, the decision removed the SMD plurality contests altogether. While the level of surprise associated with the change may be debated (Moraski 2009, Wilson 2009), scholars agree that the decision to define Duma elections solely in party terms was a natural extension of the Putin administration’s larger reform agenda “to limit the influence of regional politicians in Russia and establish a lasting party of power” (Moraski 2006, 216).

With the move to a PR only system, Russia’s “against all” option was expected to have little impact in subsequent Duma elections, and speculation began that it would be removed entirely. In 2006, it was (see McAllister and White 2008). Then, in 2007, Russia’s minimum turnout requirement of 25 per cent was removed. The anticipated effect of these changes was to ensure that supporters of the Kremlin with “a smaller element of (largely token) opposition” would dominate the next parliament (White 2009, 171).

Proportional representation and dominant-power politics

Carothers (2002) argues that democracy’s “grey zone” is populated by many countries that, in fact, may not be in transition (or not in transition to democracy anyway). Rather, elites in power may be satisfied with preserving systems that fall well short of democratic consolidation. Carothers offers two broad, though not necessarily mutually exclusive, syndromes within democracy’s grey zone: feckless pluralism and dominant power politics. He also places Putin’s Russia, at the time at least, in the latter category. Despite debates about the level of political freedom and competitiveness of elections there, the country was (and is) ruled by political forces with a long-term hold on power that make it difficult to imagine how existing opposition parties could come to power in the foreseeable future (Carothers 2002, 13; see also Gel’man 2006).

While Carothers sees both feckless pluralism and dominant power politics as having some degree of stability, under the right circumstances countries can move from one to the other or out from their current status to liberal democracy or full blown dictatorship. By 2007, Russia’s dominant power politics appeared destined to become the latter. As White (2009, 171) notes, from the start of the 2007 campaign, there was little doubt that United Russia would win the
The only question was whether turnout would be high enough to grant the election sufficient legitimacy so that President Putin’s anointed successor, Dmitry Medvedev, could begin his campaign for the March 2008 presidential election as the clear favourite. Turnout in the 2007 Duma election proved to be fairly high, at over 63 per cent, and United Russia emerged as the unquestioned ruling party with over 64 per cent of the vote and another constitutional majority of 315 seats. The only parties considered “serious competitors” in the election were the KPRF and the LDPR, which is perhaps most questionable for the latter. Neither party, however, challenged United Russia’s grip on power. The KPRF won 57 seats with 11.6 per cent of the vote while the LDPR won 40 seats with 8.1 per cent. The only other party to gain representation in the Duma was Just Russia, a new union of Rodina and two minor parties – the Pensioners’ Party and the Party of Life. The liberal parties – Yabloko and Union of Rightist Forces – failed to clear the 7 per cent threshold. In fact, neither would have passed the 5 per cent threshold. By all accounts, all electoral uncertainty had been removed from Russia’s 2007 election.

Moraski (2007, 550) speculates that the electoral system reform itself was intended to assist in removing any uncertainty in 2007 so that United Russia’s power would be sufficiently consolidated to allow President Putin to observe Russia’s constitutionally mandated limit of two consecutive presidential terms. With a lasting party of power in place, Putin could cede power to a competent and trustworthy successor and leave open the possibility of seeking the presidency again in 2012. Following United Russia’s 2007 victory, the party along with three minor parties announced that they would nominate Medvedev for the presidency with Putin’s explicit endorsement. On 18 December, Medvedev indicated his intention to appoint Putin to the post of prime minister should he win in March 2008 (White 2009, 173). Since Russia’s prime minister succeeds the president should the president step down from office, this act would position Putin for a return to the presidency – even prior to 2012, if necessary – while formally still not serving more than two consecutive terms.

According to Myagkov et al. (2009, 118), “only Kremlin apologists and Putin sycophants had the audacity to argue that the [2007 Duma] election met standards of good democratic practice”. Yet it is possible that Russia’s electoral system reform leading into the 2007 election will be meaningful from a historical perspective. Classic work in comparative politics emphasises the centrality of parties to political development (Apter 1965). Huntington (1968, 405), in particular, contends “arguments against parties betray the circumstances of their historical origins” in that they are “less arguments against parties than they are arguments against weak parties” (italics in original). Since weak parties dominated Russian politics throughout the 1990s (see, especially, Hale 2005, 2006), these lessons and insights should carry significant weight for observers of Russian politics.

Viewed from Huntington’s perspective, the political disorder that marked post Soviet Russian politics can be seen as a natural product of the massive societal changes that accompanied the collapse of communism and weak political – and party – institutionalisation in Russia. Likewise, if one takes Huntington’s arguments as a basis for prescribing a path toward meaningful political development, then it makes sense that electoral reforms promoting stronger, nationally organised parties – such as adopting a PR electoral system or mandating parties to establish a national presence to qualify for competition – are necessary. Of course, such reforms will not necessarily lead to liberalisation or even liberal democracy, but may consolidate a non democratic regime comparable to the Institutional Revolutionary Party in Mexico (Gel’man 2006). Still, one should not expect the “sun” of liberal democracy to rise in Russia without a strong party system. And, as this chapter highlights, institutional incentives for such a system often come from above.
Notes

1 The simple-majority single-ballot system is also often called a “single-member-district (SMD)-plurality” or “first-past-the-post” system.

2 In 1995, the law on the formation of the Federation Council made regional chief executives and chairmen of the regional legislatures from each of Russia’s 89 subjects the regions’ representatives in the Federation Council. In 2000, newly elected President Vladimir Putin pushed through a new law that replaced the regional executives and heads of the legislatures with full-time representatives in the Federation Council appointed from these two regional branches of government (Hyde 2001, Remington 2003).

3 The length of term assumes that the chamber does not act in a way that would lead to its dismissal and the holding of new elections. The 1993 Russian Constitution includes a number of provisions that would enable the president to disband the Duma, such as if the Duma were to block the president’s choice for prime minister three consecutive times.

4 See Russia Votes (at www.russiavotes.org).

5 The name change reflected the LDPR’s need to re-register when the CEC disqualified it after the candidates holding the second and third positions on its party list were found to have submitted incorrect personal information (Brudny 2001, 156).

6 In three of the 225 SMD election districts (162, 181, and 207), the “against all” option won, producing by-elections three months later (CEC 2004, p. 228). The winners in all cases were registered, officially, as independents (see the Central Election Commission website, www.cikrf.ru, downloaded 16 March 2010). However, since the March 2004 by-elections were held following United Russia’s clear victory in December, these three independents were particularly susceptible to this bandwagon effect, which probably explains why Clark (2005, 514) lists United Russia with 106 total SMD seats, as does Moraski (2007). While McFaul and Petrov (2004), Smyth et al. (2007), and RussiaVotes.org list the total number of United Russia SMD seats as 102, data from the Central Election Commission (2004, 249) confirm the number as 103, as does Wilson (2009).

7 See, especially, the series of articles in the July 2004 issue of Journal of Democracy, listed under the heading “Russian Democracy in Eclipse”.

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In the two decades since independence, the Russian Federation produced two distinct party systems: an inchoate multi party system that had its last gasp in the parliamentary elections of 2003 and a hegemonic party system that consolidated in 2007 and remains intact – although vulnerable – in 2011. This dramatic shift in competitive context obscures a persistent and troubling weakness in the institutional structures within individual party organisations. Until the consolidation of the parliamentary faction of United Russia (UR) following the 1999–2000 electoral cycle, Russian parties remained largely irrelevant for both electoral competition and governance, raising important questions that look beyond theories of political party formation to understand organisational durability and effectiveness and, ultimately, the link between party development and the quality of democracy.

There is no dearth of parties in Russia, even under the exclusionary rules adopted by the Putin administration. Yet, very few parties have emerged as mechanisms to channel voters’ demands into the policy process. The growing literature on Russia’s political parties underscores that most party organisations have been irrelevant to government decision making as well as electoral choice. Even parties that managed to solve the collective action and social choice problems endemic to party building, for example, the Communist Party of the Russian Federation (KPRF) and Yabloko, struggled to influence policy and maintain voter support.

Any theory of party relevance must be able to account both for the limited influence of parties until 2003, as well as the consolidation of the hegemonic party, UR. This chapter builds on the literature to demonstrate Russian parties’ limited capacity to weigh in on the policy process, cataloguing the institutional, historical, and strategic factors that rendered even capable parties impotent. Finally, I show how institutional and contextual changes after 2000 gave rise to a new Kremlin strategy to invest in building UR in order to coordinate policy activity across branches of government, federal levels, and within legislative institutions.

Russia’s parties prior to 1993

In the two years following the collapse of the Soviet Union, the controlled institutions of the Soviet era regime continued to structure Russia’s quasi party politics. Late Soviet officialdom had conducted controlled elections to both regional legislatures and the national Congress of People’s Deputies (CPD) with significant control, limiting participation to the Communist Party of the Soviet Union (CPSU) (Helf and Hahn 1992). Yet despite its origins and non partisan decision making structure, the CPD’s standing body, the Supreme Soviet, was marked by contentious factional politics that has important implications for party development throughout the next decade.
The first legacy of the Soviet era structure was the redefinition of the Communist party in the wake of the 1991 August coup (Embree 1991). Initially, the CPSU dominated legislative politics, but the faction steadily shed members over time. By September 1993, the Communist faction, now labelled the Communists of Russia, had decreased to fewer than 100 members. Yet the party forged close ties with its regional structures and retained the loyalty of significant numbers of voters and politicians, reinventing itself as the staunch opposition to the Yeltsin regime. As such, the KPRF preserved key electoral resources that set it apart from all other party organisations in the new competitive landscape: cadres of activists, a stable voter core, and a strong message.

The structural weakness of legislative parties was the second legacy of this period, largely due to institutional incentives. Leadership and committee structures were the main channels of policy influence in the Supreme Soviet, although partisan factions could be formed by any group of 50 deputies (Ostrow 2000). Faction heads served in the Soviet’s leadership, informally linking the quasi party and Soviet governing structure and providing factions with a public face. Permissive registration and membership rules led to a proliferation of factions, many of which had no connection to electoral blocs or existing party organisations. The factions were quite fluid: deputies might join more than one faction and could change membership during parliamentary sessions. Contestation among weak factions minimised collaboration both inside and outside the legislature. Personalist politics and flamboyant leaders further undermined the potential for cooperation among groups. In a pattern familiar to Russian party politics, these factions found very little ground for cooperation, even among like minded groups.

The fragmented and polarised nature of the quasi party system further hindered organisational development. Three broad groups of organisations, loosely divided into equally sized camps, defined the left, centre, and right of the political spectrum (Smyth 1991). Connected to Prime Minister Yegor Gaidar, the umbrella group Democratic Russia provided significant support for the government’s pro reform position. The disorganised centrist opposition, consisting of five or six overlapping factions comprised largely of unaffiliated deputies, supported President Yeltsin and his political programme, but expressed significant concern about the pace and extent of the shock therapy privatisation programme. Finally, the left grounded by the Communists of Russia and their allies were both anti government and anti reform. Yet, the precise policy content of these positions remained obscure.

The political conflict embodied in the polarised spectrum ultimately culminated in the constitutional crisis of October 1993, and the organisations that appeared to provide promising foundations for party development foundered. Yet, despite the significant reorganisation of political institutions following the dissolution of parliament, these three features – the reliance on non partisan organisations and mechanisms to influence policy, weak factions, and polarised politics – continued to undermine party development throughout the next decade.

Russia’s first party system, 1993–2003

The attempt to build a competitive multi party system in the Russian Federation began in earnest with the 1993 parliamentary elections. Provoked by the President’s dissolution of the obstructionist parliament in September 1993, snap elections were called for 13 December. A complex set of rules reflected the conflicting goals of the President’s advisors, who aimed to build a multi party political system while eliminating fragmentation, limiting regional influence in national elections, and constraining conservative rural forces (Moser 2001; Sakwa 1995; Smyth 2006b).

Despite the short lead up to the election and the significant political dislocation the constitutional crisis produced, 13 electoral associations competed. The political spectrum defined by post Soviet
parties mirrored the factional conflicts of the Supreme Soviet. Yet, against this seeming stability at the party system level, individual organisations struggled to institutionalise. A full picture of this institutional weakness emerges from a juxtaposition of studies of parties in the electorate, parties as organisations, and parties in government. This literature highlights both the weakness of party institutionalisation and the reliance on organisational alternatives to political parties in the Russian political landscape. Voters, candidates, parliamentarians, and presidents could all avoid investing in political parties in order pursue their policy goals. As a result, many parties formed and competed but very few became politically relevant.

**Parties as organisations**

Russia’s political party organisations – the stable structures that link leadership and voters – remained under institutionalised throughout the first decade of competition. Democratic contestation produced a winnowing of organisations: the large number of registered organisations gave way to a smaller set that actually competed. An even smaller set was elected to parliament and many did not persist past one or two parliamentary sessions. With each round of competition, new parties took the place of unsuccessful organisations.

For the most part, the contestants that emerged from the first rounds of competition were little more than holding companies for ambitious politicians rather than aggregators of like minded voters. Some of the most prominent Russian politicians, including Mikhail Gorbachev, Generals Aleksandr Lebed and Boris Gromov, the eye surgeon Svyatoslav Fedorov, and the opposition figure Boris Nemtsov, led parties during the 1990s. The most flamboyant of the charismatic leaders was the Liberal Democratic Party of Russia leader, Vladimir Zhirinovsky, whose xenophobic policy statements and risqué campaign ads kept him in the public eye. The LDPR’s extensive national network did not so much represent loyalty to the organisation but to Zhirinovsky himself, who was known to personally deliver cars and hire beautiful office assistants for regional party leaders.

Two of the most durable organisations, the KPRF and Yabloko, illustrate key differences in party organisations. The KPRF drew on its historical legacy and resources to build an extensive set of regional party organisations, resting on its cadres of loyal party members. The KPRF lacked money but compensated with a large number of activists and potential voters who worked to mobilise loyal voters who opposed both market reform (or at least wanted a mitigation of its harshest effects) as well as the social and political policies of the Yeltsin and Putin regimes. As a result, the party’s electoral support has been inconsistent, although the party has endured through two decades.

In contrast, Yabloko, founded by three prominent politicians, including presidential candidate Grigory Yavlinsky, lacked both the capital and human resources necessary to build a true national organisation. Regional offices were skeletal structures with limited space and few technological resources. Yabloko’s activists were committed and hard working but few in number and lacking guidance from the centre. Moreover, the party leader, Yavlinsky, emerged as an impediment to institution building as he left little room for other influences within the party and staunchly refused to cooperate with other organisations on the right. Yabloko’s vote support declined over time until it failed to pass the 5 per cent electoral threshold in 2003 and failed to secure any seats in regional legislatures in 2010.

One reason for Russia’s anaemic partisan development is the persistent lack of any sense of what parties would do, or even had done, to serve their constituents. As a result, parties failed to develop their most powerful resources: brand name labels to attract voter support. At the system level, parties remained clustered around left, centrist, and right reformist groups, but the policy
implications of these positions were opaque (Kitschelt and Smyth 2002; Oates 1998; Smyth 2006b). Even Russia’s ideological parties were plagued by inconsistencies in their branding. Luke March (2001) describes the tripartite split that plagued the KPRF through the 1990s and was obscured only by its defence of the communist ideal (also see Chapter 11 in this volume). This thin veneer of programmatic unity garnered limited voter support throughout the 1990s but raised serious questions about the relevance of the party as the economic transformation continued (Flikke 1999; Ishiyama 1996). Likewise, the staunch anti Western ideology of Vladimir Zhirinovsky’s bloc produced stable legislative cohorts, but they voted in lockstep with the government’s policies (Remington 2001a). In contrast, Yabloko suffered from the popular view that it was a far right “liberal” party, when its policy orientation was really more social democratic.

Lacking resources – monetary inflows, cadres, or patronage structures – parties virtually disappeared between elections, either into the Duma apparatus or into the ether (Smyth 2002). Party organisations exerted very little influence over interim gubernatorial or regional elections (Solnick 1998). Parties continuously competed directly with regional financial industrial groups (FIGs) and gubernatorial machines for influence (Hale 2007; Golosov 2004; Orttung 2004; Stoner Weiss 2001). Across the board, national party organisations struggled to secure candidates to run in the regions and could not stand candidates in every district in national parliamentary elections. Except for the KPRF and perhaps the LDPR, parties also struggled to recruit activists, rebuilding their cadres with each election. Given this dearth of resources and the absence of labels, very few organisations built the capacity to influence politicians, voters, or policy. As the next section demonstrates, even the more successful organisations were marginalised by limited electoral support and the ongoing challenge from party alternatives.

**Parties in government**

The lack of party relevance in the policy process throughout the 1990s is most evident in the analysis of parties in government (Chaisty 2005). One of the most glaring signs of party weakness was the continuing lack of party representation in the executive. While the Kremlin spawned one toothless organisation after another, it could not compel ministerial or gubernatorial support. No Russian president has joined a party, although Putin did agree to lead UR as he departed from the presidential office. Moreover, President Yeltsin notoriously used his extensive decree power to bypass party opposition in the legislature (Haspel et al. 2006; Kubicek 1994; Remington et al. 1998).

The roles played by opposition political parties in the legislature have been more enigmatic. Like the Supreme Soviet, the Duma is organised around a two track system in which legislative resources are secured through factional affiliation but exercised through committee and leadership structures (Ostrow 2000). Rules regarding factional formation remained very liberal and leadership and committee positions were allocated on a parity basis rather than in proportion to the size of the faction (Remington and Smith 1995, 1996, 1998; Shevchenko and Golosov 2001). As a result, ambitious leaders faced limited disincentive to forming splinter factions to enhance their profiles. As Shevchenko and Golosov (2001) show, committee and floor leaders were most likely to lead the legislative process.

Against this backdrop of permissive rules, it is surprising that factions demonstrated remarkably high levels of party discipline (Chaisty 2005; Haspel et al. 1998; Remington 2001a; Thames 2001). This unity overstates the strength of party organisations. In reality, factional membership was very fluid. Stronger organisations “lent” members to weaker ones, as was common with the KPRF and Agrarians. Independent deputies formed loose affiliations in the Duma rather than join established
parties. Party switching (shifting party or factional organisations during a session) was common place. Haspel et al. (1998) report that one quarter of deputies in the 1993–95 legislative session switched factional affiliation.

Even so, there was some variation in parties’ innate capacity to influence policy, and the Duma did pass significant legislation (Chaisty and Schleiter 2002). Yet in the charged climate of the Yeltsin era, the party struggled to shape the new regime. Through decree power and the veto, Yeltsin managed to circumvent the legislature, particularly after 1995 when the KPRF dominated the Duma and worked in opposition to the President. In the absence of coordinating structures, regions and bureaux rarely implemented policy as written. As partisans battled it out in national government, Russia’s citizens plunged into a social and economic crisis that was largely ignored by the state.

Party in the electorate

The most contentious debates generated in the literature on the emergence of Russian political parties centred on voters’ attachments to these organisations. The first debate focused on whether or not voters were forming attachments to parties beyond theoretical expectations. The second debate – based in the notion that Russian voters were forming attachments to parties – focused on the determinants of Russian partisanship.

Empirical analyses of Russian voters yielded opposing conclusions. Echoing the party weakness evident in organisational studies, the pessimists argued that voter attachments to parties were predictably weak, signalling obstacles to democratic development (Colton 2000; White et al. 1997). These claims rested on a wide variety of evidence and measures, drawn from studies of partisanship in Western states. A number of studies looked at measures of partisan self-identification or attachment to party organisations (Colton 2000). Others explored the lack of trust in Russian parties (White et al. 1997). Still others looked specifically at voting behaviour, including split ticket voting (White and McAllister 2000).

In contrast, more optimistic analysts argued that Russia’s voters were forming partisan attachments more rapidly than existing theories would predict (Brader and Tucker 2001; Miller and Klobucar 2000; Miller, Erb, Reisinger and Esli 2008). The disagreement reflected both a debate over measurement and a particular time frame largely bounded by the 1995 Russian elections. The party optimists tended to focus on the evolution of partisanship across elections measured by voter loyalty and the consistency of beliefs between voters and organisations, but time horizons were short and congruent beliefs did not always lead to electoral support.

Part of the difficulty in forging close ties with voters was the parties’ difficulty in projecting coherent and cohesive positions. As noted above, within party organisations, there was profound disagreement over what the party should do (Kitschelt and Smyth 2002; Smyth 2006b). In my own interviews with party leaders between 1993 and 2010, there were very few organisations that could clearly identify their electorate, and all parties pointed to pensioners as their core supporters mostly because they remained the most reliable voters.

In the absence of brand names, parties substituted television advertisements, making television the primary source of information for Russian voters (Oates 1998; White et al. 2005). The reliance on television campaigns reflected the critical lack of personnel resources that plagued most party organisations but also provided an important alternative to institutional development during the campaign period. These ads tended to lack serious content. For instance, in 1995 Yabloko presented its voters with dancing apples and pastoral scenes with cows whose spots formed the apple logo. Zhirinovsky notoriously showed ads of women dreaming of him or of himself dancing in a disco with scantily clad young women.
On balance, the partisanship literature underscored the inherent weaknesses in organisations and party system structure. The wholesale shift in voting behaviour in support of United Russia in 2003, coupled with the demise of several core organisations, suggests that voter attachments to parties were rooted in a specific context such as issue salience rather than a long-term commitment to a particular organisation or its positions. Yet, voting behaviour and general party weakness throughout the 1990s raises an important puzzle, particularly when it is juxtaposed with the unexpected rise and consolidation of a single party system in the next decade. I argue that these phenomena are not unrelated: any explanation of the inchoate party system of the 1990s must also account for the rise of UR. The next section surveys the theoretical explanations for party weakness before turning to a brief discussion of UR and the factors that explain its durability.

Explaining the weakness of Russian parties and factions, 1990–99

Political parties are built when voters, candidates, and politicians have an interest in trading their future autonomy for electoral and governing resources (Aldrich 1995; Duverger 1954; Kingdon 1968). This insight forged the approach of many scholars who studied Russia’s party development. Together they reveal that between 1993 and 1999 very few actors were willing to make this trade (Hale 2007; Moser 1999; Smyth 2006a). Even those politicians and voters who joined parties often acted against party interests, by defecting within a legislative session or within the campaign period, by investing party resources in personal campaigns, by stumping against the party message, or by engaging in split ticket voting (Smyth 2006; White and McAllister 2003).

As the preceding narrative suggests, politicians’ investment in parties depended on three broad factors – political institutions, significant party alternatives, and the dearth of the raw material of party building – that converged in the Russian case. As a result, parties remained irrelevant for many critical political decisions. When the President could pursue political goals without parties, he did so. Parliamentarians and candidates chose “go it alone” strategies over partisan affiliation. Voters frequently relied on alternative sources of political information or supported non-partisan candidates.

Though not entirely responsible for party weakness, political institutions adopted after the 1993 constitutional referendum and its attendant auxiliary regulations provided politicians and voters with mechanisms to pursue political goals without parties. While the semi-presidential framework embodied few direct anti-party incentives, the disproportionate power bestowed on the executive did undermine party influence (Ishiyama and Kennedy 2001; Colton and Skach 2005; Fish 2005). Throughout the 1990s, presidential decrees undercut the legislative process. A series of agreements with recalcitrant regional governors created an imperfect coordination mechanism across levels of government in lieu of a national party system (Stoner Weiss 2006). Within the parliament, the parallel structure diminished the role of strong legislative parties.

The electoral arena also created significant disincentives for investment in party organisations. Russia’s parliamentary electoral rules allowed candidates to forgo parties by competing as in dependents (Moser 1999; Smyth 2006). Given parliamentary weakness, the presidency became the real prize of electoral competition. Olga Shvestsova (2003) argued that prominent national politicians, and in particular presidential candidates, had few incentives to build party organisations. The sequencing of parliamentary and presidential elections rendered parliamentary elections little more than a de facto primary in which presidential hopefuls tested their national appeals. Strong parties would only interfere with these efforts. As a result, the usual role for parliamentary electoral competition as a catalyst for party development was undermined by larger goals.
The second factor in party development centred on the presence of what Henry Hale labelled party substitutes (2007) and I called personal resources (Smyth 2006b). A series of strategic choices in the transition coupled with the political legacies of the Soviet period studded the competitive landscape with networks, organisations, and political forces that competed with parties. In the wake of Yeltsin’s 1993 attempt to seize control of the central government by diminishing legislative and regional opposition to his reform programme, he instigated a power grab by local officials which formed the basis of regional machines (Stoner Weiss 2006; Hale 2007).

Finally, the raw materials of party building were scarce in the wake of the political breakdown. Cultural theories of party development hold that parties build on existing social cleavages and translate them into partisan organisations (Lipset and Rokkan 1967). Yet scholars widely agreed that the post Soviet social context lacked pre-existing organisations or attitudinal structures that might serve as focal points to solve the collective action problems inherent in building stable ties between voters and organisations.

Despite this agreement, a significant debate emerged over the source and nature of post Soviet cleavage structures. Kitschelt (1992, 1995) posited that transitional cleavage structures would quickly mirror those of Western polities, collapsing to two dimensions of political competition: a recognisable left–right division contesting state intervention in the economy and the extent of the redistribution of wealth, and a second dimension that stressed either traditional national values or a more universal view – an approach that reflected an overly optimistic interpretation of linear and positive trajectory of the transition to democracy and market.

In contrast, Whitefield and Evans (1999) argued that the battle of transition would produce a unique and politically relevant cleavage structure rooted in winners and losers. This expectation was not borne out in partisan divisions. Events moved quickly, winners and losers changed over time, and as the data demonstrates, while the language of market and democracy might have been shared by broad social groups, it masked broad disagreement about the meaning of those terms.

In fact, the Russian experience did not bear out either set of propositions about cleavages, raising a host of questions about the relationship between identity, organisation, and partisanship. Scholars explain this anomaly with two different theoretical frameworks. Relying on expert survey data from 13 states, Rohrschneider and Whitefield (2009) argue that while party competition is organised around a single economic dimension, the difference in issue salience is best explained by country level factors that may evolve over time. In contrast, Brader and Tucker (2009) suggest an alternative logic for the relationship between cleavage structures and partisan development that is rooted in the experience and educational potential partisans accrue through organisational involvement rather than a simpler relationship between social identity and party choice.

The diminished role of political parties throughout the decade had significant implications for regime development. The Russian experience demonstrated that consolidated democracy was not the inevitable outcome of party competition nor did all types of parties facilitate democratic development. Operating in an environment of great political uncertainty, Russia’s parties could neither organise the electorate nor solve the dilemmas of governing. This pattern changed with the consolidation of the UR party between 2000 and 2003 that led to the formation of a single party system – although this did not give way to a party state.

**Russia’s second party system: United Russia’s hegemony**

One of the ironies of the study of Russian political parties is that it trailed off just as political parties, or, more precisely, one party, became relevant for policy, political careers, and the distribution of state patronage. That organisation is United Russia. With its unexpectedly strong showing in the
1999 elections, Unity, UR’s precursor, initiated a process of hegemonic party formation that gave way to a new, single party system by December 2003 and persists in the lead up to the 2011–12 election cycle.

United Russia began as a Kremlin sponsored party launched in September 1999 to challenge the regional party of power, Fatherland–All Russia (OVR). The Kremlin based parties of power (or POPs) originated in President Yeltsin’s efforts to shore up electoral support and policy control by extending state influence through the electoral process. The term implied that these parties would not play a traditional role of linking the state and society through electoral competition and brand name labels. Rather, the party of power would translate state resources into electoral resources to ensure the dominant representation of state interests – in this case presidential interests – in the legislative arena. Between 1993 and 1999 the Yeltsin administration built a number of POPs, from the ill fated Russia’s Choice that underwent a significant metamorphosis with every election, to the more clandestine effort to organise oblast level privatisation offices in 1993. None succeeded in shoring up executive power.

By 1999 the imperative to build a party of power had shifted out of the Kremlin to the regional bosses. Moscow mayor Yury Luzhkov and Yeltsin’s former Prime Minister Yevgeny Primakov founded OVR to vie for control of the national government as President Yeltsin prepared to exit national politics. Both Luzhkov and Primakov set their sights on the presidency but cooperated in the short term in order to secure electoral support. Until three months before the election, their path looked relatively clear and it seemed sure that one of the two would succeed Yeltsin.

In response, the Kremlin launched its own electoral vehicle, Unity, to challenge OVR and provide a mechanism to build name recognition for Yeltsin’s handpicked successor, Vladimir Putin. It is difficult to overstate the low level of expectations that this move raised both in Moscow and among Western Russia watchers (Colton and McFaul 2003). Yet the combination of Putin’s persona, centrist political appeals, the deployment of patronage and state resources, electoral corruption in some regions, and a media smear campaign against the OVR leaders led Unity to a remarkable second place finish just behind the KPRF.

In the aftermath of defeat, and in particular in the face of Putin’s presumptive control of the presidency, the OVR organisation crumbled. Luzhkov and Primakov were among the first members to defect from the party, leaving their newly elected parliamentary deputies scrambling to find a factional affiliation in the Duma. More importantly, OVR’s collapse revealed the regional political machines as inadequate vehicles for a successful national campaign in the face of the Kremlin strategy to mobilise the mayors of oblast capitals.

Unity quickly deployed state patronage to attract OVR’s deputies. In 2001, Unity merged with OVR to form the UR faction. Between 2000 and 2002, UR consolidated its hold over legislative decision making, dominating the parliamentary organisation, increasing its influence over legislative outcomes, and attracting support from both independent and partisan deputies. Despite this show of strength, in the lead up to the 2003 parliamentary elections, analysts remained sceptical about the durability of the party. What they had failed to comprehend was that the organisation not only dominated the Duma, but it had also established a strong presence in the regions, attracting support from business leaders and political notables (Smyth 2003; Hale 2007). UR’s candidate list read like a who’s who of Russian politics.

Elite cooperation led to an elaborate but increasingly corrupt party structure. In June 2010, the Russian press released information about the personal wealth of party leaders, generating a great deal of discussion about the structure of the party. In addition, the UR bureaucracy continues to expand, encompassing standing offices in all regions of the Federation and approximately 70,000 primary party organisations. The party also sits at the nexus of a number of competing think tanks, representing competing tendencies within the organisation and providing critical expertise on
both policy concerns and political strategy (Laruelle 2009). Overlapping cadres have linked the party and state without fusing them, creating a complex governing structure that should not be confused with a single party state.

Elite coordination also provoked even greater mass support for the party and, aided by the disproportional electoral rules, it secured an absolute majority of legislative seats. Although state patronage has not been distributed solely through the party, regional organisations increasingly fulfil this role, enhancing the party’s electoral support (Gelman 2009; Remington and Reuter 2009). The party’s message has been consistent and clear: to draw out the contrast between UR’s moderation and the Yeltsin era “Times of Trouble”. Against the backdrop of the chaotic 1990s, Putin and UR provided certainty and a hedge against radical shifts in policy and social decline, echoing the predominant conservative bias that emerged among Russian voters.

Between 2003 and 2007, UR’s influence extended beyond the national legislatures into regional politics, marking it as distinct from previous parties of power. In the first three years of the party’s dominance of the Duma, the Kremlin did not always support UR candidates for governor, particularly if the candidate was a long term incumbent with a significant independent base of resources (Hale 2007; Reuter 2010). However, after the party’s success in the 2003 national election, the Kremlin recruited prominent regional elites in gubernatorial campaigns, ensuring that the strongest leaders were also party members (Reuter 2010). These efforts were followed by two waves of party purges designed to eliminate disloyal members from the rolls (Smyth et al. 2007; Reuter 2010).

UR also gained overwhelming control of regional legislatures. Reuter (2010) shows that the party adopted the strategy of making all critical decisions in party faction meetings prior to any issue reaching the floor of the oblast Duma, again assuring UR control over the distribution of targeted benefits to key constituencies. In this manner state funding, policy, and the party became fused. The party not only linked branches of government; it also served as a coordination mechanism across levels of government.

Although the worldwide economic crisis damaged UR’s national ratings and showing in regional elections, the party appears extremely durable. At a national level, Russia has a single party system while in each of the regions the landscape looks more like a party and a half, although the nature of the opposition varies from region to region. As a result, no other party is capable of producing significant national leaders or building a significant national organisation. This lack of opposition preserves UR’s strong position.

Explaining the persistent strength of United Russia

The rise of UR coincided with the increasingly authoritarian turn of the Russian regime. As a result, explaining its consolidation and predicting UR’s durability requires a theoretical approach that takes into account the semi authoritarian regime structure in which it operates. Aside from the KPRF, UR is the only Russian party that has attracted electoral support and also managed to secure elite loyalty, but the sources of both are rooted in a complex mix of coercive elements embodied in an evolving regime structure and its representative elements, including policy relevance and electoral consistency. The party is indispensible for the election of party elites and also for voter information. Yet considerable debate remains over whether or not the UR organisation is stable and can remain intact through the next decade – a debate central to understanding Russia’s political evolution (Hanson 2006; Wood 2008).

The rise of UR paralleled significant changes in the three variables that so strongly shaped party weakness in the 1990s. The most surprising change may well have been the high levels of electoral support in 1999 and the remarkably high approval ratings between elections enjoyed by Putin,
which gave him an unrivalled resource in electoral politics, which he transferred to UR (Colton and McFaul 2003). Moreover, throughout the 2000–03 Duma session, the UR faction grew as it absorbed OVR deputies, independents, and defectors from weaker organisations.

Relying on its factional strength in the parliament, the Presidential Administration launched a significant institutional restructuring. The first target was a transformation of internal legislative rules that strengthened partisan control of the policy process (Remington 2006). In the wake of the 2003 elections, all contentious policy issues are settled within the party faction minimising minority influence and presenting a show of party unity in the legislature.

Led by President Putin, the Duma also profoundly altered electoral rules at the national and regional levels. At the national level, proportional representation (PR) electoral rules, a 7 per cent threshold and stringent ballot access requirements all restricted competition to large national parties. These rules also eliminated the possibility for candidates to pursue a non-partisan electoral strategy. At the regional level, new rules also mandated that a portion of the legislature be elected by PR rules, enhancing the influence of parties that could mount national organisations. UR secured control of most regional legislatures.

In addition, the reconstruction of a power vertical made the governors increasingly dependent on the Kremlin. To undermine regional influence on national politics and limit gubernatorial power, the Kremlin eliminated elections to both the upper house of parliament (2002) and to governorships (2004) and built a structure of appointed presidential representatives in seven (later eight) large regions (see Chapter 12 by Cameron Ross). New rules transferred the power of appointment to these offices and to a host of additional bureaucratic offices, to the Kremlin. Tax reform recentralised budgetary politics. A reassertion of state control of key industries reined in regional financial-industrial groups or FIGs.

Formal rules were not the only impetus for elites to join the party. The more coercive elements of political development were also important for eliminating alternative vehicles for opposition candidates, making UR the only game in town for ambitious politicians. The new law on parties raised party registration and ballot access requirements making it easier for the government to use technical pretences for eliminating potential rivals—a strategy it used quite freely. Likewise, new regulations on party finance as well as the arbitrary prosecution of Yukos Chairman Mikhail Khodorkovsky restricted the flow of funding to all parties except for the party of power (White 2006). Media resources were lavished on the President and the party while opposition leaders and organisations were ignored (Oates 2006). All of these elements limit the capacity of existing parties and preclude the emergence of new opposition organisations.

Finally, these changes also undermined the party alternatives that sapped party influence throughout the 1990s. Gubernatorial machines were eviscerated. Regional oligarchs were tamed. FIGs were subordinated to political powers in electoral politics. And the personal vote machines that had served regional factory managers and officials so well throughout the 1990s were no longer enough to secure national office. Without an institutional trajectory to pursue a go-it-alone strategy or the resources to fund alternative parties, Russian elites flocked to the ruling party.

The combined effects of these changes decimated Russia’s first party system at the national level. By 2003, UR dominated a single-party system while regional competition was marked by a patchwork of disparate party systems consisting of UR and some weaker organisation. Elite loyalty to the party took on the character of an assurance game in which cooperation, assured by the president, guaranteed party loyalists control of the state while the rewards for defection were unpredictable (Reuter and Remington 2009; Reuter 2010; Smyth et al. 2007).

Yet some puzzles remain. Certainly, Putin has been central to the party’s electoral success, but survey data suggests that neither he nor the coercive elements of the system are entirely responsible for the party’s electoral support (Colton 2000; Hale and Colton 2006). In fact, the source of
electoral support for the party remains obscure despite research which has revealed the general correlates of support for UR.

Theorising about the structure of the party’s electorate is even more difficult because it is drawn from across the political spectrum, obliterating previous lines of political division (Clem and Craumer 2004). Traditional theories of partisanship based on issue congruence also do not seem to fit the Russian case (White and McAllister 2003). Likewise, theories that explain this support in terms of a charismatic leader, continued economic prosperity, strict coercion, or revolutionary ideologies cannot account for UR’s durability. Much work remains to explain voter loyalty to the party.

The final puzzle of UR is discerning Putin’s intentions toward the party as regional elections reveal its electoral weakness. UR, and in particular its leader Yury Luzkhov increasingly came under attack for corruption. This led to significant personnel changes in the regions, including the sacking of Luzkhov after a 19 year stint as Moscow’s mayor. In May 2010, the wealth of top party officials confirmed voters’ suspicions of self enrichment. As in the previous period, Prime Minister Putin and his team seem to be playing out a number of parallel strategies that would shape the party’s future. It is clear that the Kremlin is looking to revitalise opposition organisations in order to split the protest vote. Yabloko – which lost its position in all regional legislatures in the last round of elections – is rumoured to be in contention for the position of right opposition. In April 2010, the press reported that Prime Minister Putin would return to the party, officially replacing its original leadership that is becoming increasingly autonomous as it tries to walk the line between the president and prime minister. As UR leaders stated in June 2010, “children do not choose between the parents”. The goal would be to build a power base independent of the presidential office and to allow Putin to use the party to manage the 2011–12 elections and to build a more sophisticated party structure capable of controlling the corrupt bureaucracy as well as maintaining social peace within the fragmented elite (Nezavisimaya gazeta, 7 April 2010; Novoe vremya, 22 March 2010).

This theory falls in and out of favour in the Russian press and in Western scholarship, but the growing investment in and renovation of the party’s structure suggests that the Kremlin views it as essential to future plans. These developments highlight the importance of studying the internal structure of UR to understand how it has forged ties among elites and voters, across branches and levels of government, and extend control to state bureaux.

Political parties and regime evolution: Russia’s future

The promising political competitiveness that emerged in the wake of independence gave way to an inchoate party system in which party organisations were largely irrelevant to important political outcomes. As a result, Russia’s parties never acted as a conduit through which citizens’ demands were channelled into the policy process. The electorate was never organised to assert its power through the regime structure.

As Russia’s new democratic regime structure evolved, and moved away from democracy in practice, UR emerged as a relevant if not hegemonic political actor. The legislative faction was the political key to producing extensive reform that consolidated power in the central state and enabled the formation of a dominant party. Political elites needed the party to get elected. Voters supported the party organisation that promised stability and order. Yet the Kremlin seems to have resisted moving from a hegemonic party system to a single party regime. As a result, while UR is clearly a ruling party, it must maintain popular support in the face of limited competition in order to endure.

This need to maintain both elite and mass support makes UR vulnerable to a change in public perception in each electoral competition – whether on the national or regional level. The party
has met each of these challenges, nimbly adjusting to changing circumstances. To the extent that it has relied on coercion, it has done so in the early stages of electoral competition – during party registration and ballot access – avoiding the potential for post election protest. Yet, if the party moves toward more coercive internal organisation or enhances the formal links between the state and the party, those changes will profoundly alter the nature of the regime. What seems clear is that the future of the regime and the future of UR now seem inextricably linked, suggesting that scholars refocus on party development as a critical area of research.

References


As the twenty year anniversary of the collapse of communism in Russia approached, the Communist Party of the Russian Federation (KPRF) remained Russia’s second largest party—an eventuality barely conceivable in the heady days of August 1991 when Boris Yeltsin suspended (and later banned) Party activity in Russia. Of course, on closer inspection the current picture is far less rosy. In the 2007 parliamentary elections, the KPRF polled 11.57 per cent, its worst result since just after its 1993 foundation, and a vote share just one sixth of the election winner United Russia. Although the party still regularly polls around 20 per cent in regional elections, its salad days were clearly in the 1990s, when its leader Gennady Zyuganov ran Yeltsin a (relatively) close second in the 1996 presidential contest, its faction was the largest in the Duma and it was overall by far Russia’s electorally most successful and organisationally biggest party.

The present chapter outlines the genesis and evolution of the KPRF, its key features, and the reasons for its rise and fall. Although its present plight indicates that the party may eventually become a subject of Russian histories rather than comparative political analyses, it would be dangerous to ignore the party, if only for what it reveals about wider Russian politics.

Approaches to a divisive subject

As a profoundly ideological party with, to put it mildly, some controversial stances, the KPRF has always starkly divided the opinions of analysts and voters alike. Among the electorate, the KPRF has had too hard a core (White et al. 1997), i.e. it possesses the most committed and stable nucleus of supporters of any Russian party, but this core restricts its electoral and policy options and is repellent to many non-committed voters. This is one key reason for the party’s inability regularly to extend its electorate much beyond 20 per cent.

For analysts too, a normative and judgemental stance has been difficult to avoid, which has often obscured accurate analysis. Few outside the party itself share its often extreme and illiberal analysis of Russian politics (for instance the thesis of the “anti national” comprador bourgeoisie waging genocide against the indigenous Russian population). That is not to say that its view of history is bunk, however. Even in the 1990s, the party criticised “so called reformers” for corruption, anti constitutionalism and authoritarianism, defended parliamentary proceduralism and clean elections, and warned of the dangers of sidelining party opposition, in ways that in the post Yeltsin era have seemed increasingly prescient. Analysts were often slow to appreciate the often underhand usage of administrative resources and “dirty technologies” until Putin arrived. But just because the KPRF claimed that elections were a rigged game doesn’t mean they weren’t. For instance, Yeltsin’s victory in the 1996 presidential election was universally portrayed at the
time as a clean cut victory for “reform” (McFaul 1997). This was a core Yeltsin campaign theme, but it obscured the Kremlin’s huge misuse of media and financial resources and intimidation of the KPRF (Reddaway and Glinski 2001).

Indeed, a number of authors have argued that the KPRF has long been Russia’s most genuine (if still heavily compromised) opposition party, which has (albeit partially and unwillingly) acted as a defender of Russia’s nascent democratic traditions (Sakwa 1998; March 2002). In some regions it even acted as a “civil society substitute” (Kurilla 2002). However, few would not qualify these assertions: it is hard to see the party as a true champion of liberal democratic procedures if its belief in liberal democracy itself is so hesitant. Electoral manipulation in 1996 notwithstanding, there are serious doubts that Zyuganov could have beaten Yeltsin in a more democratic contest because of major errors in his own campaign and the party’s high negative rating among the wider electorate.

Yet the bulk of Russian and (particularly) Western media opinion about the KPRF is profoundly negative: from the outset, it was portrayed as a Stalinist dinosaur sustained by a core of nostalgic pensioners (Nelan et al. 1996). Even more sophisticated literature tends to contrast the party’s alleged unreformability with the more progressive and dynamic policies of ex-communist parties in East Central Europe, and to focus on the party’s basis among the “losers of transition” (Hashim 1999; Grzymala Busse 2002). Although simplistic, this narrative does have a strong core of truth: the party’s electoral and (in particular) membership base has always been an “apparat clientele” — mid and lower level CPSU members, unwilling and unable to adapt fully to the post-communist scenario. These have traditionally been elderly, rural, less educated and more impoverished voters rather than younger, more educated, and urban strata (Wyman 1996). Moreover, the party is ageing rapidly. It thereby appears to replicate the crisis tendencies of West European communist parties thirty years previously: the vanguard of the proletariat the KPRF is emphatically not (March 2001). Nevertheless, given the low life expectancy of Russian males, were the party’s fate to be linked as closely with demographic trends as many critiques imply, it would hardly have survived to the present day.

Some of the harshest (but sharpest) critics of the KPRF come from the left, who (depending on their particular viewpoint) accuse the party of various combinations of opportunism, right-wing deviationism, social democratisation, Stalinism, anti-Semitism, Great Russian chauvinism and illiberal authoritarianism. It is an indication of the eclecticism of contemporary party ideology that all of these apparently contradictory insults have been true at various times (sometimes even simultaneously). For most on the left, it is the party’s espousal of late Stalinist national Bolshevism (an ideology which justifies communist rule less for its Marxist–Leninist scientific verity than for its achievement of superpower status) which is most objectionable. The classic critique of the KPRF was that of a former party leader Boris Slavin, who saw Zyuganov’s obsession with the “Russian question” and alliance with the national bourgeoisie in a “national liberation struggle” against the West as a distraction from traditional socialist concerns with oppression and inequality (Slavin 1996). Extending this argument, Jeremy Lester argued that the nationalist/Stalinist deviation weakened the KPRF’s ability to make progressive social and electoral alliances (e.g. with trade unions and social democratic parties), weakened its critique of capital and accelerated the party’s essentially cosy relationship with the authoritarian capitalist elements in the Russian regime (Lester 1995, 1997).

These analyses perhaps underestimate the constraints the KPRF has confronted (particularly regime repression and co-optation and the weakness of non-state institutions like trade unions that have together limited more maximalist opposition strategies), but highlight the party’s image problem among the wider left. It is no accident that the party’s closest international allies are the Portuguese, Greek and Czech communists – parties which have partly espoused a quasi-nationalist
Stalinist ideology of “socialism in one country” and which are among the most hard line of all major European communist parties (March 2011). Symptomatically, although the party has (reputedly) put out feelers to the EU centred transnational Party of the European Left (PEL), many members of the PEL regard the KPRF as irredeemably Stalinist. Symptomatically, one of the KPRF’s harshest critics is the French PCF, formerly one of the most Sovietophile, which has attacked its socially authoritarian stance, particularly its opposition to gay rights. With few true allies even on the left, it is unsurprising that the KPRF has struggled to court the wider electorate.

The KPRF then almost inevitably evokes emotional reactions. Nevertheless, it has been well served by several relatively objective analyses which have dissected its major features in sober detail. Chief among these is a study by the Moscow centre Panorama (Tarasov 1997), focusing on the emergence of the party from a plethora of CPSU successor parties after the ban on the Communist Party was repealed in November 1992. Russian think tanks have produced numerous valuable studies of the party that have focused on its internal developments, electoral dynamics and interaction with the authorities (Makarkin 1996; Chernyakovskii 2000).

The KPRF is, naturally enough, a regular feature of English language Russian party literature, with several sources providing insights into electoral strategy and performance (Colton and McFaul 2003). Moreover, understandings of its origins and dynamics have been especially enlightened by its inclusion in the successor party literature, which focuses on the processes of ideological, strategic and electoral adaptation of formerly ruling parties into successful post-communist parties. Most of this literature initially focused on social democratic successors in Hungary and Poland, but several analysts have included the KPRF in their comparative frameworks, analysing the role of historical legacy, internal party factionalism and electoral frameworks in accounting for the party’s fundamental divergence from the East–Central European social democratisation model (Sakwa 1996, 1998; Ishiyama 1999; March 2006a).

The party has also benefited from two in depth monographs on its origins and development. Urban and Solovei (1997) focused most on the party’s struggles to secure legitimacy as the genuine successor of the CPSU versus a constellation of competing micro parties, on the intra party programmatic struggles and on its election performance up to its pivotal 1996 presidential defeat. March (2002) is largely complementary to this earlier work, focusing less on intra party struggles and more on the party in comparative perspective (drawing on the successor party literature and comparing the KPRF with the West European Communists after the 1960s). He also focuses explicitly on party organisation, the nature of party opposition to the Russian authorities and the reasons for its post 1996 electoral decline.

Accordingly, then, the KPRF is well covered up to the mid 2000s. Unsurprisingly, given its rapid electoral decline and political marginalisation after 2003, it has received far less attention since, with a handful of exceptions. Some (Clark 2006; Wegren and Konitzer 2006) show how economic growth and political centralisation drastically weakened the party in the regions in the early 2000s. Wilson (2005) highlights how the authorities’ “virtual politics” have essentially co opted the party into merely mimicking “irreconcilable opposition” to the regime. March (2006b) analyses the party’s precipitous 2003 decline, and concludes that owing to a combination of poor leadership, harsh external circumstances and the attraction of nationalism to the Russian left, the party and the wider left are afflicted by a lasting crisis from which no exit as yet looks possible.

There are some notable lacunae in the literature. In particular, with the exception of a hard to find empirical shapshot (Wishnevsky 1999) and some older studies of the regional party system (Hutcheson 2003; Golosov 2004), the party’s regional activity is under studied (hardly surprisingly, given the logistical difficulties of studying a nationwide party in a country of Russia’s size).
Andrew Wilson’s work notwithstanding (which despite telling insights relied heavily on kompromat of varying plausibility and reliability) we know little detail about personal and ideological disputes within the party, its policy process, party financing and corruption, and its real relationship with the Kremlin. These of course are problems for analysing any Russian party, but the KPRF has a particularly secretive, hierarchical internal culture. Moreover, we know relatively little about why people support the party, particularly those younger members who did not join it straight from the CPSU. Of course, surveys of the attitudes of party voters and members are plentiful (White 2007; McAllister and White 2008), but in depth, qualitative studies of why Russians vote for parties and form longer loyalties and attachments to them, rather than how they do so, are less in evidence.

These gaps notwithstanding, the existing literature gives enough of a basis to outline the basic trends in party development.

Party origins

One vital point to grasp is that although the KPRF claims to be the true successor of the CPSU (an essential claim for gaining the affections of communist loyalists in the early 1990s), this is only indirectly true in organisational, personnel and ideological terms. Much of the CPSU elite left politics altogether before or directly after the August 1991 coup (although top CPSU leaders such as Ivan Polozkov, Yegor Ligachev and Anatoly Lukyanov have been members of the KPRF, only Lukyanov has played any significant role). The party emerged from the Russian republican organisation of the CPSU (CP RSFSR), which was founded in 1990 as part of the sovereignisation of the USSR. It was soon hijacked by a conservative anti perestroika reaction, but this was clearly too little too late; the CP RSFSR was internally divided, formed no clear political profile, and lost members and influence prior to the August coup (Gill 1994).

The combination of a strong indigenous communist legacy in Russia and Gorbachev’s hesitant democratisation meant that a strong reformist wing was unable to reform the party from within in an unambiguously social democratic direction as in most of East-Central Europe’s successor parties. Instead, the reformers and conservatives (dominant in the party apparatus) were locked in stalemate, with the reformers increasingly exiting the party.

Boris Yeltsin’s constitutionally dubious abolition of the party in 1991 broke the stalemate; essentially the reformist wing of the CPSU (which Yeltsin, an ex Politburo candidate, headed), broke from communist ideology entirely and, via the process of privatisation, appropriated the bulk of party property – in this sense the Kremlin has always been the true communist successor party. Although the precise extent to which the KPRF benefited from the CPSU’s political capital and connections is unknown and may never be, it is certain that the party entered the 1990s relatively impoverished compared with successor parties elsewhere, which often retained far more personnel continuity, clientelistic networks, links with trade unions, property and finances from the former ruling party.

Russian communists contested the ban on the party in the Constitutional Court throughout 1992, winning that November the right to reconstitute communist local organisations, which it took as carte blanche to re found the Russian party organisation outside the CPSU framework (several competing CPSU successors melted away at this point) (Henderson 2007). But the re founded KPRF that emerged in early 1993 was, again, far more than the CP RSFSR 2.0. For one thing, its leadership cohort and ranks had consolidated, with the Constitutional Court proceedings and the ban period whittling down the numbers of social democrats and USSR nostalgists to a basically moderate conservative and Russophile core. The party’s selection of Gennady Zyuganov (a former member of the CPSU ideology bureau and CP RSFSR ideology chief) as its new leader
was symptomatic of the new Russophile direction. The CPSU, under Zyuganov’s aegis, had already initiated contacts with “empire saving” pro USSR national Bolsheviks in the late 1980s as Marxism–Leninism had entered open crisis; the post 1991 aftermath, when national patriotic groups had led street protest against pro Western marketisation, only cemented this direction (Devlin 1999). Zyuganov was able to combine potent patriotic rhetoric with essentially moderate constitutional conduct in the October 1993 crisis, when he called for reconciliation between president and Supreme Soviet and the KPRF leadership failed to support the street protests unswervingly. Many radical nationalists and communists never forgave him, but the conciliatory conduct allowed the party to avoid a permanent ban at the time of the December 1993 elections, face down calls for a boycott, and consign most of the party’s radical challengers (such as the Russian Communist Workers’ Party and the Working Russia movement) permanently to the political periphery.

Idea and strategy: disunity in diversity

As noted above, KPRF ideology has been rather eclectic, leading to multiple competing interpretations. One reason for this eclecticism is competition and contradiction in party statements. For example, March (2001) notes a “party ideology” designed both as an objective statement of the party’s long term strategy and to reassure party believers (these goals do not necessarily always coincide) and a “public ideology” designed to win non believers over to party goals. Often, the party and public ideologies have contradicted each other (not least because they do not often acknowledge each other’s existence). For instance, the cornerstone of the party ideology, the party programme, first adopted in 1995 and modified only superficially since, commits the party to traditional Marxist–Leninist ideology with a strongly national Bolshevik stance downplaying class struggle, and envisages a three stage transition to a classless society and Soviet democracy. Intra party theoretical documents tend to be couched in more traditional Marxist–Leninist terms still, with the Russophile emphases fairly muted.

Public ideology on the other hand (for example in party and presidential electoral manifestos) rarely mentions socialism, still less communism, puts Russophile themes more to the fore and combines them with quasi social democratic rhetoric about rights and freedoms that is relatively weak in party documents. At the same time, leaders’ statements in the nationalist press (such as Zavtra and Sovetskaya Rossiya) and party symbols and slogans (such as the World War II victory emblem used in 1999) draw on late Stalinist military patriotism. Zyuganov’s writings add another layer of complexity, drawing heavily on modern nationalist writers such as Dugin and Prokhanov and older sources such as the Slavophiles and pan Slavists to articulate an anti liberal, anti Western vision emphasising Russian Orthodoxy, civilisational uniqueness and (perhaps above all) the contiguity between communism and Russian historical traditions. Although Stalin is seldom mentioned, Zyuganov’s thesis that the USSR began its decline under Khrushchev and his emphasis on conspiracy theories (not least by a number of ethnically Jewish “Russia haters” such as Trotsky and Kaganovich) has brought allegations of neo Stalinism and anti Semitism (Duncan 2000). As the party became restricted to its core electorate after 2003, it tended to be less reticent in its praise of the vozhd.

Behind these contradictions is an attempt to appease many incompatible external and internal constituencies: internally, to reassure the party faithful that the KPRF is the true CPSU, and has not “sold out” like Gorbachev fatefully did; externally, to show that the party’s socialism is rooted in national traditions, not an “imposed” Marxist experiment, and that the party has been fundamentally transformed (e.g. by embracing Orthodoxy, the market economy, constitutionalism and multi party democracy).
The contradictions also represent deep internal cleavages; although the KPRF has been kept relatively united by CPSU loyalty and a shared narrative of repression by the “so called reformers”, the very amorphousness of its ideology, and perhaps above all its engrained culture of discipline and Leninist democratic centralism, it has suffered constant problems of internal control, which have increased as its electoral and social role has declined. While the party long generally avoided damaging defections (most disaffected members exit rather than voice their opinions internally), a 2004 split between Zyuganov loyalists and an anti Zyuganov wing headed by his former protégé Gennady Semigin lost the party some two thirds of its 500,000 members.

Ideological differences have always been important. Urban and Solovei (1997) first outlined the difference between Zyuganov’s “nationalists” (better dubbed by Sakwa (1998) “statist patriotic communists” for the precedence accorded to state over nation in their hierarchy of values), “Marxist reformers” (quasi Eurocommunists and proto social democrats represented in the party leadership) and “Marxist–Leninist modernisers” (probably the dominant party faction, concerned to preserve the essentials of Marxism–Leninism but – unlike the non party radicals – open to broader non party alliances and accepting the constraints of the Russian constitutional system). March (2002) added a fourth group, the “red patriots”, most nostalgic for the Soviet system and certain key dogmas, but less theoretically sophisticated than the Marxist–Leninist modernisers. He also noted the cultural and functional differences between moderates who had largely acclimatised to parliamentary work in Moscow and systemic opposition and radicals among the lower ranks who were more inclined towards street politics, non compromise with non communists and anti systemic positions. Ultimately internal strategic disputes heavily affected communist conduct in 1996–99 as the Party tried to respond to electoral defeat with a more constructive, systemic stance. As it has become a smaller, more consolidated organisation (particularly after 2004), such obvious differences have declined. However, they occasionally rear their head, as with the May 2010 removal of Vladimir Ulas, one of the party’s rising stars, from leadership of the Moscow gorkom, allegedly for collaborating with the extra systemic anti Putin opposition.

Despite its broad church nature, the overall strategic direction of the KPRF has remained relatively constant: an emphasis on moderate socially orientated Russophilism (with largely rhetorical and usually temporary periods of radicalisation). Hopes that the party might social democratise (Urban and Solovei 1997) proved premature; in the late 1990s the party made tentative movements, but later backtracked, claiming it had already absorbed the best social democratic ideas. It was clear that the Marxist reformers were too numerically and politically weak to reform the party from within – they were the most frequent party defectors.

Another influential strand of analysis has viewed the party’s alleged anti Semitism and Russian chauvinism as evidence of essentially a proto fascist organisation – as such the KPRF is better included in the study of the extreme right, not left (Vujacic 1996; Umland 2008). These studies are valuable in pointing out the party’s collaboration with extreme nationalists (particularly at regional level) and the dangers of the “nationalisation of socialism” and in high lighting similarities between the conduct of the KPRF and other national communist parties like Slobodan Milošević’s Serbian Socialist Party. However, they tend to ignore certain significant features that make a national socialist evolution for the KPRF unlikely; namely the ideologically and culturally conformist and conservative (far from revolutionary) instincts of Zyuganov and the party leadership, and the commitment to Leninist symbols, dogmas and organisational traditions of much of the party base. As stated in March (2002, 114) the party is ultimately “too conservative to be fascist, too nationalist to be communist, and yet too statist to be truly nationalist”.

Luke March
Electoral performance: long march into obscurity?

The KPRF’s electoral record is both extremely simple and highly puzzling. The simple story is of continued growth from 1993 until 1999 when the party traded on pro Soviet nostalgia and deep protest sentiments against the corruption and shambolic non governance of Yeltsin era “reform”, when its superior organisation, recognisable brand name and largely inherited activist membership base made it Russia’s only genuine national party, albeit one largely representing the “losers of transition”. However, in Russia there were many of these.

The party’s post 1999 decline can also be fitted quite neatly into this transition narrative. Its 1996 presidential election defeat showed a clear victory for “reform” over “regress” even in the most advantageous circumstances for the latter, and the KPRF’s inability to change its leadership cadres or radically to re orientate its strategic direction towards social democracy doomed it to an eternal second place in presidential election contests thereafter. Economic boom and a popular “nationalist” president after 2000, who traded on feelings of loss and nostalgia but translated them into a more forward looking non ideological conservatism, drastically weakened the KPRF’s ability to rely on inertial protest votes and essentially stole Zyuganov’s “state patriotic” strategy from under his nose (Urban 2003). The ageing of the KPRF’s base limited its prospects to ambitious regional elites – the defection of formerly pro communist red belt governors to the pro Putin Unity movement (later the United Russia party) was one of the most visible elements of the new Kremlin vertical of power in the early 2000s. If in 1996, the KPRF claimed nearly one half of all 89 regional leaders as “its” governors, it had none by 2008.

The problem with such a narrative is that, although it has a large core of truth, it is retrospectively determinist. The puzzle (especially for KPRF strategists inclined to weigh economic sentiments heavily) is that, electorally speaking, Russia is a profoundly “left” country, at least in terms of its support for economic protectionism and the welfare state. When outright disgust at reform and pro Soviet nostalgia is added to the mix, then arguably the communists could have, even should have, won big, either in 1996 against a discredited, feeble Yeltsin, or in 1999–2000, when pro Western reform was finally abandoned after the 1998 economic crash. The left wing sentiments cannot be dismissed as mere nostalgia. Indeed, recent studies by Alexander Lukin (2006) and Stephen White (2010) argue that there is an essential political cultural continuity from the Brezhnev era to contemporary Russia: Russians have consistently supported a more pluralist Soviet type system as an ideal type. Contemporary Russians (albeit particularly the older and less affluent) view the Soviet system as more indigenous, legitimate and even democratic than post communist rule. There has therefore been a far wider reservoir of support for the KPRF than it appears.

Luckily, most recent studies of Russian politics have transcended the transition paradigm. More sophisticated accounts of the KPRF’s electoral trajectory would highlight the party’s poor leadership and complicity in its own demise. It has consistently made tactical errors (e.g. the nationalist strategy in 1996 failed to attract the centre left and made it easy for Yeltsin to portray the party as a force of “regress”; the party’s opportunistic enlisting of dollar millionaires in 2003 disorientated party activists and allowed it to be portrayed as a pro oligarch force). The party’s strategy is clearly at fault too; arguably not just social democratisation but a more genuine movement in a nationalist socialist direction (like the Serbian Socialists) might have broadened its electorate. Yet the KPRF remains profoundly wedded to Stalin era symbols and dogmas even today. The comparative successor party literature helps explain such an outcome; the party’s founding moment as an anti Gorbachev “anti reform” protest has locked the party in to an anti Western, reactive strategy (Sakwa 1998). Much also is explicable by the calculations and limitations of Zyuganov, eternally cautious, unwilling or unable to jettison the communist brand name, and lacking even a fraction of Milošević’s charisma.
This is a further reason for regarding the KPRF as in many ways a genuine communist, rather
than “extreme right” party: West European communism has been replete with examples of
bureaucratic party leaders (such as Georges Marchais and Álvaro Cunhal) who have placed
consolidation of the party organisation above expansion of its electoral reach, even when its
electoral weakness has begun to debilitate its party organisation too. Owing to persistent Leninist
norms of democratic centralism and party loyalty, such leaders prove near impossible to remove
and leave long after the damage they are doing to the party image is visible to all but them.
Although the Russian authorities are currently contemplating forcing rotation of party leaders, it is
likely that this will be Zyuganov’s legacy too.

Party and regime
Yet the KPRF’s decline is not simply its own doing. Its story can only be truly understood by
examining its interaction with the regime. Formal institutions have played their part in weakening
the party (especially the difficulty of any party at all winning power in a super presidential system
where parliament is constrained and lacks direct ability to form the government or limit the
powers of the executive presidency). Even apparently unreformed communist parties can (if
rarely) win free and fair elections (e.g. in Moldova); however, they need a much more party based
and pluralist party system than Russia has ever provided.

However, it is quite clear (although the precise mechanisms are often less so) that the informal
rules of the game explain much of the KPRF’s conduct. It was certainly suggested early in its life that
the party was unwilling truly to challenge for power and was content with its “eternally second”
status. By 2000, the party’s “irreconcilable” opposition was becoming increasingly “cosmetic”, a
position much accelerated by the entrenched conservatism of its leading cadres (March 2001).
Wilson (2005) notes countless occasions on which the party failed genuinely to challenge for power.
The emergence of “virtual politics” has cut both ways: although it has preserved the KPRF’s (and
Zyuganov’s) distant second place in the party system, and gradually increased its respectability as a
political institution, it has clearly contributed to its demise as a genuinely potent electoral force.
Moreover, whereas in the 1990s the KPRF could lay claim to a moral and ascetic image, its
inveiglement in sub rosa negotiations with the authorities means it has been increasingly seen as a
corrupt and compromised force, especially among the left.

Such allegations are by their nature hard to prove, and there is always the danger of seeing
the Kremlin’s hidden hand everywhere. But although the KPRF is far from simply a regime
puppet, it is now undeniable that Putin’s “imposed consensus” has forced opposition parties to
comply with the broad parameters of the regime’s foreign and domestic policies or be consigned
to the political margins (Gel’man 2005). Certainly, the KPRF today remains one of the only
so called opposition parties to criticise Putin and central executive powers directly – it has even
latterly begun to gravitate towards Dmitry Medvedev, despite his liberal image, as a greater
 guarantor of party pluralism and opposition possibilities. Yet its opposition today is a pale
shadow of a decade ago. It no longer even pretends to be an extra systemic force, to make
common cause with street protests or to lead the patriotic opposition. This suits the Kremlin
perfectly: although it has often claimed to prefer a more forward looking social democratic
opposition, and has helped create one on several occasions (most recently with the Just Russia
party), it has always intervened to preserve the status quo when the KPRF might be replaced by
a more dynamic force – re registering the KPRF and not its more radical splinter wing headed
by Vladimir Ilyich Tikhonov in 2004, breaking up the Rodina party in 2006 and deflating Just
Russia in 2007.
Conclusion

The KPRF might increasingly be better studied by historians than political scientists: strategically inert, tactically limited and in gradual electoral decline, it has been clear for a decade or more that without a full scale change of leadership, any fundamental national level revival is all but impossible, and even post Zyuganov is unlikely. However, for better or worse, this is still Russia’s chief opposition party, and the only one with even semi independent status. Nor is its immediate demise likely or inevitable.

In general, Western and Russian analysts have portrayed the KPRF in a profoundly negative light, even though it is simplistic to reduce its role to the “losers of transition”, Stalinist legacies or pro fascist extremism. Since the post 2000 consolidation of Russian authoritarianism has coincided with the party’s decline, it is fully possible to regard the party’s defence of democracy, parliamentary government and the multi party system, and warnings against presidential “dictatorship”, in a more positive light, although this is far from saying that the KPRF has ever been a genuine democratic force. Indeed, perhaps the KPRF’s most negative legacy is that it has provided much of the rationale for the political authoritarianism it now protests against, as is clear if Zyuganov’s works are compared with the often nationalist and anti Western rhetoric of the Putin era Kremlin. Indeed, the lack of full democratisation of Russia’s opposition is one of the key reasons why Russian democratisation itself is no longer a topical issue.

Nevertheless, while studies of the KPRF’s ideology, strategy and even internal organisation are unlikely to be particularly fulfilling subjects while Zyuganov remains party leader, the KPRF’s evolving relationship to the wider party system is still a topic worth exploring. Even though the degree to which Russian parties collude in their own exploitation may never precisely be known, their funding sources, lobbying efforts and elite connections are important determinants of their conduct about which we know relatively little. There has also been relatively little written on party system competition: on how specific parties interact; whether and how they co-ordinate and compete during electoral campaigns. At the same time, local party and electoral conduct (particularly during mayoral and local legislative campaigns) is undoubtedly the weakest element in all Russian party studies, especially given the increasing importance of parties at local level since legislative reforms in the mid 2000s. The KPRF’s local performance, though much weakened since the 1990s, still remains (relatively) respectable. In this respect, in the 1990s and early 2000s we knew broadly who voted communist and why, and we certainly now know much about who no longer votes communist and why. However, in 2011 we know less in general about why Russians vote for parties that most analysts portray as virtual, ineffective oppositions; we know less in particular why, given all the evident flaws of Zyuganov’s KPRF, a Russian voter in Moscow or Magadan might still regard it worthy of their vote.

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In December 1993 Russia ratified its first post communist Constitution, which in Article 1 proclaimed that it was “a democratic federative rule of law state with a republican form of government”. However, there are now major concerns over the current regime’s commitment to the principles of federalism. As is demonstrated below, the major challenge to the Russian state today is not confederalism or the threat of ethnic disintegration, as was the case during the Yeltsin era, but rather defederalisation and the creation of a centralised and quasi unitary state under the Medvedev and Putin tandem which has been in power since 2008.

According to Watts’ (1999, 7) classic definition, in federations:

1) neither the federal nor the constituent units of government are constitutionally subordinate to the other, i.e., each has sovereign powers derived from the constitution rather than another level of government; 2) each is empowered to deal directly with its citizens in the exercise of legislative, executive and taxing powers and 3) each is directly elected by its citizens.

More specifically as Requejo (2001, 306–7) notes, federations display the following key characteristics:

1. two tiers of government, both of which have legislative, executive and judicial powers with respect to their own competences and fiscal autonomy;
2. mechanisms enabling the participation of the federated units in decision making at the federal level, usually a second chamber whose representatives are elected on a territorial basis;
3. an institutional arbiter, usually a supreme court or a constitutional court;
4. the agreement on which the federation is based cannot be reformed unilaterally; mechanisms that facilitate and promote communication and cooperation.

However, as Elazar (1987, 12) stresses, “The essence of federalism is not to be found in a particular set of institutions but in the institutionalisation of particular relationships among the participants in political life”. Here we need to take into consideration, the fact that federalism involves both structure and process. As Söderlund (2006, 3) observes:

On one hand, the structure of federalism manifests itself in a specific type of constitutional design and institutional framework. On the other hand, the process of federalism refers to the
political practices that have evolved over time and determine the nature of the relationships both among members and between different levels of government within a federal system.

In Russia, Requejo’s key institutional structures of federalism have largely been put in place but the relations between the federal centre and the federal subjects have not been governed by federal principles (Ross 2002).

It can also be argued that without a democratic and legal culture there can be no federalism. As Watts (1999, 14) notes:

federal processes include a strong predisposition to democracy since they presume the voluntary consent of citizens in the constituent units, non centralization as a principle expressed through multiple centres of political decision making, open political bargaining as a major feature of the way in which decisions are arrived at, the operation of checks and balances to avoid the concentration of political power, and a respect for constitutionalism.

In turn, federalism can also promote democracy. As Kempton (2002, 17) notes, “At a minimum, by institutionalising competing groups of political elites and dividing power between them, federalism makes tyranny more difficult … admits the legitimacy of conflicting interests and commits all sides to peaceful accommodation”.

However, the impact of federalism on democratisation can be a “double edged sword”. On the basis of experience in Brazil and Mexico, Gibson (2004, 24) has argued that while federalism can aid the transition from authoritarian rule by providing local arenas and power bases from which such rule can be challenged, the same sub national structures could also empower challenges to democratically elected governments.

Here we need to take into account the fact that more autonomy does not necessarily lead to more democracy. For “just as sub national politics can harbour sources of economic dynamism and democratic change, so can the sub national act as a bulwark for authoritarian enclaves in nationally democratizing polities” (Gibson 2004, 17).

Regional elites in Russia have more often used their powers of autonomy to instigate authoritarian regimes than to promote the development of democracy. Moreover, in Russia, it was those federal subjects which were granted the greatest levels of constitutional autonomy, namely the 21 ethnic republics, which were able to instigate the most authoritarian regimes (Ross 2002).

The foundations of Russia’s federal system, 1991–93

The origins of federal states and the specific ways in which they were formed are of crucial importance in determining the character of the distribution of powers in federations. As Gibson (2004, 14) observes, “in a path dependent sense, the origins shape the subsequent trajectories of federal systems”. Thus, for example, those federations which arise out of bottom up bargaining generally cede more powers to their federal subjects than those which come about as the result of top down bargaining amongst elites.

The foundations of Russia’s federal system go back to the early 1990s, when there was a fierce struggle for power between the Russian presidency and parliament. Taking advantage of this period of political turmoil, a number of republics ratified radical confederalist constitutions. In order to bring a halt to regional demands for ever greater levels of political and economic autonomy, the Yeltsin regime reluctantly signed a Federation Treaty in March 1992 which ceded
major powers to Russia’s regions. However, after Yeltsin’s forcible dissolution of the parliament in October 1993, a new presidential constitution was adopted in December which took back many of the powers which had been granted to the regions in 1992.

According to the December 1993 Constitution, the Russian Federation comprised 89 federal subjects: 32 ethnically defined subjects (21 republics, 10 autonomous okrugs and 1 autonomous oblast), 57 territorially based subjects (49 oblasts, 6 krais and two federal cities: Moscow and St Petersburg). However, since 2003 there has been a process of regional mergers, and the number of federal subjects has fallen to 83 (see below).

The Russian Federation is highly asymmetrical. The current 83 federal subjects vary widely in the size of their territories and populations, and their socio-economic status and ethnic composition. Thus, for example, the territory of the Republic of Sakha is 2,803 times greater than that of Moscow. The population of Moscow in January 2009 (10,509,000) was 212 times greater than that of the Chukotka Autonomous Okrug (49,500) (Rosstat 2009).

In January 2009 the Russian Federation had a population of just under 142 million citizens. Residing on its vast territory are 182 nationalities. By far the largest ethnic group are the Russians, who make up just over 80 per cent of the population. Before the mergers of the federal subjects which began in 2003, Russians comprised a majority of the population in 74 of the 89 regions, and in a further five regions no single ethnic group had a majority (Turovsky 2006, 217). In Dagestan there are 33 ethnic groups and no single group comprises a majority of the population. Currently there are just eight regions where the indigenous nationality make up a majority of the population: Chechnya, Chuvashiya, Ingushetiya, Kabardino Balkariya, Kalmykiya, North Ossetya Alaniya, Tatarstan, and Tyva.

There are also wide variations in the socio-economic status of the regions. Thus for example, in 2008, the gross regional product (average gross added value) per capita in Moscow was 493,200 rubles, while in the republics of Adygeya, Dagestan, and Kabardino Balkariya it was just 48,000 rubles (Kommersant, 14 April 2008). Average income per capita in the oil rich Yamalo Nenets Autonomous Okrug (AO) was seven times higher than in the Republic of Ingushetiya. The percentage of the population with an income below the minimum subsistence level varied from a low of 6.6 per cent in the Yamalo Nenets AO to a high of 38.4 per cent in the Republic of Kalmykiya. There were also sharp variations in the number of people who were officially registered as unemployed, which varied from 0.4 per cent in Moscow to 63.2 per cent in the Republic of Chechnya (Rosstat 2009).

The Russian Federation is also constitutionally asymmetrical. While Article 5.4 declares that all subjects of the federation are equal, some are clearly more equal than others. In fact there are three distinct classifications of “federal subject” in the Constitution: first, the 21 ethnically based republics which are classified as national state formations; second, krais and oblasts, which are classified as administrative territorial formations; and, third, autonomous oblasts and autonomous okrugs defined as national territorial formations (Karapetyan 1999). Only the republics are defined as “states” (Article 5.2) with the right to their own constitutions, languages, flags, hymns, and other trappings of statehood.

The distribution of powers

As noted above, the Russian Constitution of December 1993 emerged out of conflict and coercion rather than consensus and compromise. It was a constitution which was largely imposed upon the regions by the centre, after the violent overthrow of the parliament in October 1993. Not surprisingly, therefore, it gives far greater powers to the federal centre than to the federal
subjects. Thus, for example, Article 71 of the Constitution grants the federal government 18 exclusive powers over the national economy, federal budget, federal taxes and duties, foreign affairs and defence, and other key areas, and Article 72 lists 14 concurrent powers, which are to be shared between the federal authorities and the federal subjects. The federal subjects have no designated powers. Article 73 simply declares that “Outside the compass of the Russian Federation’s jurisdiction and the powers of the Russian Federation as regards the terms of reference of the joint jurisdiction of the Russian Federation and the components of the Russian Federation, the components of the Russian Federation possess state power in its entirety”. In other words, the federal subjects only possess residual powers – the right to legislate in those few areas not covered by Articles 71 and 72.

The Constitution stresses the supremacy of federal laws. Thus, for example, according to Article 15.1, “the Constitution of the Russian Federation has supreme legal force and is direct acting and applies throughout the territory of the Russian Federation. Laws and other legal enactments adopted in the Russian Federation must not contradict the constitution of the Russian Federation.” Article 76.4 states, “The laws and other normative legal enactments of the components of the Russian Federation cannot conflict with federal laws. In the event of conflicts between the federal law and another enactment promulgated in the Russian Federation, the federal law is to obtain.”

The Constitution also asserts that its jurisdiction covers all parts of the federation. Article 4.1 proclaims that “the sovereignty of the Russian Federation extends to the whole of its territory”, and Article 4.3 declares, “The Russian Federation ensures the integrity and inviolability of its territory”. Federal Executive powers are bolstered in Article 77.2, which states that “the federal bodies of executive power and the bodies of executive power of the components of the Russian Federation form a unified system of executive power in the Russian Federation”. In addition, Article 78.4 notes that “The President of the Russian Federation and the government of the Russian Federation ensure in accordance with the Constitution of the Russian Federation, the exercise of the powers of federal state authority throughout the territory of the Russian Federation”.

From constitutional to contract federalism, December 1993–99

Although a presidential constitution was officially ratified in December 1993, the authority of the Russian Constitution has been fundamentally weakened by questions over its legitimacy. One of the central preconditions for a democratic federation is the voluntary membership of its subjects. But in December 1993, 42 of the federal subjects failed to ratify the Constitution either because their citizens rejected the Constitution or because turnout in the republics was below the mandatory 50 per cent. Moreover, many of the ethnic republics had adopted their own constitutions in the period before the ratification of the Russian Constitution and they now argued that their constitutions were to take precedence (see Ross 2002).

Nineteen of the 21 republics (with the exception of Ingushetiya and Kalmykiya) declared their state sovereignty, and by implication the right of secession. Thus, for example, Article 61 of Tatarstan’s Constitution declared, “The Republic of Tatarstan shall be a Sovereign State, a subject of international law, associated with the Russian federation on the basis of a treaty and the mutual delegation of powers” (Postovoi 1995, 6). The Constitution of Chechnya went even further, failing to even note that it was actually a subject of the Russian Federation; instead it proclaimed that Chechnya was an independent sovereign state and a full and equal member of the world community of states (Postovoi 1995, 7).
In addition, a number of republics unilaterally proclaimed jurisdiction over policy areas which according to Article 71 come under the exclusive jurisdiction of the Federal Government. Thus, for example, we have cases where some republics declared their right to make decisions over war and peace (e.g. Tyva); to approve republican laws on military service (Bashkortostan, Sakha, Tyva); to establish the procedures for the introduction of a state of emergency in a territory of the subject of a Federation (Buryatiya, Komi, Tyva, Bashkortostan, Kalmykiya, Kareliya, North Ossetiya, Ingushetiya); to conclude international treaties (Dagestan, Tatarstan, Bashkortostan, Tyva, Ingushetiya, Komi); and to declare the natural resources of the territory the property of the federal subject (Ingushetiya, Sakha, Tyva) (Stolyarov 2008, 111).

Article 78 of the Russian Constitution states that federal executive bodies have the right to transfer “the implementation of some of their powers” to the federal subjects and vice versa. This article was used by the Yeltsin regime to justify its promotion of 46 bilateral treaties which were signed between the Federal government and subjects of the federation over the period 1994–98. These treaties granted the signatories a host of political and economic privileges. Thus, for example, Tatarstan’s bilateral treaty, which was signed in February 1994, legitimised Tatarstan’s radical confederalist constitution and reaffirmed the republic’s sovereignty over its economic and political affairs, including foreign trade and foreign policy. In total the special agreements attached to Tatarstan’s bilateral treaty led to infringements of 12 of the 18 sub clauses of Article 71 of the Russian Constitution.

Moreover, 42 of the 46 bilateral treaties contained provisions that violated the Constitution. In particular, many of the treaties violated the constitutional division of powers, as set out in articles 71–73.

There was a flurry of treaty signing on the eve of the December 1995 parliamentary election and the 1996 presidential poll. During this period signatories to the treaties were granted special economic and political privileges in return for their promise to “bring in the votes” for the Yeltsin regime. It is important to note that none of the bilateral treaties were approved by regional parliaments or by the State Duma. In many cases secret agreements were attached to the bilateral treaties. Such a practice undermined the rule of law and hindered the development of a legal and constitutional order in Russia.

However, as Heinemann Grüder notes, the bilateral treaties also had a positive side, “the inclusion of regional elites into federal decision making and the bilateralisation of federal regional relations contributed barriers to regionalist and secessionist strategies” (2002, 156). After Tatarstan signed its bilateral treaty in 1994, separatist movements in the republic lost public support and withered away. Chechnya is the only federal subject which pushed for full independence: it did not sign the Federal Treaty in 1992 and it refused to hold a referendum on the Constitution in 1993. To prevent its outright secession, Russian troops were sent into the republic in 1994 and in 1999, and after two bloody wars the Kremlin eventually succeeded in instigating a puppet government in the republic. Chechnya’s new Constitution, which was ratified in a referendum on 23 March 2003, declares that: “the territory of the Chechen Republic is an inextricable part of the territory of the Russian Federation. The only source of power in the republic is its multinational people. If the laws of the constitution of the republic contradict those of the federation, the laws of the federation override those of the Republic” (Makinen 2008, 173).

Defederalisation under Putin and Medvedev

In June 1999 Yeltsin adopted a Presidential Decree which sought to bring the bilateral treaties into line with the provisions of the Russian Constitution. However, the decree had little impact, and
by the end of the 1990s, as Umnova (2000, 7) notes, there were four competing types of federal relations in operation:

1. international relations (between Chechnya and Russia);
2. confederative relations (between Russia and the republics of Tatarstan and Bashkortostan);
3. federative relations with elements of confederative and unitary systems (almost all of the ethnic republics and the richer donor territorially based subjects of the Russian Federation);
4. federative relations with elements of a unitary system (the poor territorially based regions).

In order to bring an end to the legal anarchy of the Yeltsin era, Putin adopted a number of radical federal reforms whose primary aims were to rein in the power of the regional governors, to create a uniform legal space in the federation and to instigate a “dictatorship of law”. Putin stressed that in order to achieve these goals, a new power vertical would have to be created to bring order and unity to the Federation. However, for many commentators Putin’s reforms have not led to a more balanced federation but rather to a process of defederation and the creation of a quasi unitary state.

During his presidency, Putin introduced eight reform measures relating to the federal system.

1. **The creation of federal districts**

In 2000 Putin divided the country into seven federal districts, each of which contained a dozen or more federal subjects, and he appointed a presidential envoy to each district. A key aim of this reform was to tame the regional governors and bring the regions under the control of the Kremlin. On 19 December 2009 the Southern Federal District was divided into two parts and a new eighth Federal District was formed.

As Goode (2010, 236) notes, a key task of the envoys was to “reassert central control over federal ministries and agents in the regions and to re-establish presidential oversight (kontrol’) of the governors”. The original powers and responsibilities of the envoys were very extensive. Their key tasks were (1) to monitor the regions’ compliance with the Russian Constitution, federal laws and presidential decrees; (2) to oversee the selection and placement of personnel in the regional branches of the federal bureaucracy; (3) to protect the national security interests of the regions; and (4) to set up and coordinate within their districts interregional economic programmes (Teague 2002). They also had the power to recommend to the president that he suspend specific local laws or decrees when they contradicted federal laws and to call for the dismissal of governors and the dissolution of regional assemblies if they adopted decrees or laws which violated federal laws. However, since 2005 when the president gained the right to directly appoint regional governors (see below), the role of the envoys in checking the work of regional executives has been curtailed and their powers and status have declined. The president no longer needs to rely on the envoys to oversee the implementation of his policies now that the governors are an integral part of the Kremlin’s vertical of power.

2. **Reform of the Federation Council**

According to Article 95 of the Russian Constitution, the Federation Council consists of two representatives from each component of the Russian Federation and one each from the representative and executive bodies of state power. However, the Constitution does not stipulate the precise method by which members are to be chosen. In 1993 the first Council was elected via national elections and from 1996 until 2000 the heads of the legislative and executive branches of
government in each region were granted ex officio membership of the Council. However, in 2000 Putin radically changed the method by which members of the Federation Council were “elected”, which has fundamentally weakened its authority. No longer do heads of regional administrations and chairs of regional assemblies have ex officio membership; instead, each sends a delegate to represent them in the Council. According to the new rules, candidates from the regional assemblies are proposed by the chairs of the assemblies and confirmed by a secret ballot of the deputies. In theory, groups of not less than one third of a chamber’s deputies can propose alternative candidates. Candidates from the executive are chosen by the heads of regional administrations subject to the approval of the regional assemblies. The governors’ choices of candidates may be vetoed by a vote of two thirds of the members of the regional assemblies. Or at least that is the theory. According to Remington, in addition to the governors and regional assemblies, “major firms and business interests, the presidential administration, and the president’s representatives in the seven federal super districts [have all] played a major role in the choice of senators” (2003, 674) Moreover, up until December 2004, the regions could also recall their deputies. Since that date, deputies can only be recalled if the regions gain the approval of the Chair of the Federation Council.

Turning to membership of the Federation Council, there are a large number of deputies who made their careers in the executive branch at the federal and regional levels. Alongside many former regional governors sit former high ranking officials from the Russian Government and Presidential Administration, including a sizeable contingent who made their careers in the judiciary, the procurators office, and security forces. For example, Yury Biryukov (Nenets AO) is a former Procurator General; Vladimir Rushailo (Arkhangelsk) held posts as Minister of Internal Affairs and Secretary of the Security Council. It is also interesting to see that Nikolay Ryzhkov (Belgorod), the former Chair of the USSR Council of Ministers, is a member of the upper chamber, as are two former deputy chairs of the Soviet Government. Members from top federal executive bodies are hardly likely to be the ideal champions of regional interests. There are also 49 top entrepreneurs who make up just under 30 per cent of the membership of the Council, including senior officials from giant corporations such as Gazprom and Lukoil.

There has also been a “de regionalisation” of the upper chamber. As Turovsky notes, as early as summer 2001, the share of Muscovites in the Federation Council exceeded 26 per cent and by 2003 this had risen to 37 per cent (2007, 77). Moreover, data for 2009 shows that in only 12 regions were both senators representatives of their local elites at the time of their appointment, and in 23 regions neither senator had prior connections to the regions (Turovsky 2010). Such developments have undermined one of the basic prerequisites for a federation, the legislative entrenchment of federal subjects in national policy making (King 1993, 93).

The Kremlin’s capacity for domination over the selection of the members of the upper chamber was increased even further in 2005 when Putin was granted powers to directly appoint the heads of regional administrations (with the approval of the regional assemblies). All 83 regional heads have now been appointed by the president. Moreover, United Russia also dominates the vast majority of regional assemblies and thus has control over the selection of the senators approved by the legislatures.

The Kremlin’s ability to control the membership of the upper house, which is dominated by members of United Russia, has severely compromised its independence. Thus, for example, whereas over the period 1996–99, approximately 23 per cent of the legislation that reached it from the State Duma was rejected by the Federation Council, today the upper chamber is little more than a rubber stamp for the president’s policies (Remington 2003, 670).

In his 2008 Address to the Federal Assembly, President Medvedev called for further changes to the method of forming the Federation Council. According to his proposals, henceforth the upper
chamber should comprise only “people elected to the representative assemblies and deputies from the local self government bodies of the region in question” (Medvedev 2008). This new method of selecting members of the upper chamber will come into force in 2011. As Goode (2008, 3) notes, the reform will, “end the blatant violation of the separation of powers by cutting the executive branch out of the upper house of parliament”. It will also bring an end to the deregionalisation of the upper chamber, as each region will only be able to select local politicians as their representatives.

3 The State Council and the Council of Legislators

In order to compensate regional governors and the chairs of regional assemblies for the loss of their ex officio membership in the Federation Council, two new advisory bodies were set up by Putin: the State Council and the Council of Legislators. The State Council, which was created in September 2000, meets every three months and is chaired by the president. All of the regional governors are members of the Council. There is also an inner Presidium made up of representatives from the federal districts, the membership of which rotates each six months. However, the Council has no formal law making powers and is purely an advisory body to the president. To a large degree it is a forum whereby the President outlines policies to the regions rather than vice versa.

In a similar vein, the Council of Legislators, which was created in 2001, is meant to provide a forum where the chairs of regional assemblies can participate in federal policy making. However, in reality, a great deal of the work of the Council is devoted to overseeing the implementation of the president’s policies in the regions. The weakness of the Council is graphically illustrated by the poor success rate of the regions in initiating federal legislation. Over the period 1996–2007 Russia’s federal subjects submitted 4,439 draft laws to the State Duma, of which only 213, or 4.8 per cent, were adopted as Federal Laws (Doklad Soveta Federatsii 2009: Appendix).

4 The campaign to bring regional charters and republican constitutions into line with the Russian Constitution and Federal Laws

In the summer of 2000 Putin also launched a major campaign to bring the republics’ constitutions and regional legislation into line with the federal constitution, and he created a special commission headed by Dmitry Kozak, the deputy head of his Presidential Administration, to oversee this work. From July 2000, when the campaign started, to 2003, local procurators disputed about 10,000 illegal acts, of which over 8,000 were harmonised with federal legislation (Leksin 2008, 57–8). As Leksin notes, the programme to bring legislation into line was guided by a presumption of regional guilt. Regional legislation had to be brought into line with federal legislation even in those cases where it was legally superior to the federal laws (2008, 57).

Putin’s decrees were backed up by two key decisions of the Constitutional Court (adopted on 7 June and 27 June 2000), which ruled that the republics’ declarations of sovereignty were incompatible with the sovereignty of the Russian Federation. The President also called for the bilateral treaties to be rescinded, and a new law adopted in 2003 brought the process to an end. By the summer of 2005, all of the treaties had been revoked. Only one new bilateral treaty has been signed. In July 2007 Tatarstan was able to ratify a treaty with Moscow that grants it considerable autonomous powers, many of which continue to contradict the Russian Constitution. Thus, for example, “The agreement gives authorities in Tatarstan a greater say in decisions on economic, cultural, and environmental issues, and calls for joint management of the region’s oil fields by federal and local authorities” (Arnold 2007, 1).
5 Clarifying the powers of federal, regional, and local bodies of power

The Kozak Commission was also charged with clarifying the distribution of powers between federal, regional, and local bodies of power. Over the period 2003–06 legislation was adopted which transferred key powers from the regions to the Centre. In particular, according to a 2008 Report of the Federation Council (Mironov and Burbulis 2008, 111),

a significant cut was made to the competences of constituent entities of the Russian Federation on issues of joint authority. Many of the most important groups of public policy were completely transferred to the competence of federal bodies of state power, and mechanisms for joint execution by federal and regional bodies of the most important tasks that require joint implementation were eliminated.

In total, while the regions retained 70 of their competencies, 700 were transferred to the jurisdiction of the Federal Government (Gligich Zolatoreva 2008, 259). Moreover, the heads of departments in the regional administrations must now operate under a system of dual subordination whereby they are answerable to the regional governors and to the heads of ministerial branches situated in their territories.

Since the inauguration of the Putin–Medvedev tandem in 2008 there has been no move to reverse these centralising policies. In his Address to the Federal Assembly in November 2008, Medvedev acknowledged that an optimal balance of power between the Federation and the regions was yet to be achieved, including “the lists of resources needed at both federal and regional levels”. Moreover, he also stressed that there was still no “optimal placement scheme for the territorial structures of federal executive bodies in Russia and their effective cooperation with regional authorities”, and he called for the numbers of federal bodies in the regions to be cut (Medvedev 2008). However, he also reaffirmed that “in accordance with Paragraph 2 of Article 77 of the Constitution, federal executive authorities and the executive bodies of the Federation’s Regions are part of an integrated system” (Medvedev 2008).

6 Fiscal centralisation and federal intervention

Under Putin and Medvedev we have witnessed a centralisation of finances in the federal budget and a reduction in the share of budget funds allocated to the regions. Thus, for example, the share of sub national revenues in the consolidated budget of the Russian Federation shrank from 55 per cent in 1998 to 39.3 per cent in 2009 (www.roskazna.ru/reports/cb.html). The federal government has also been given new rights of federal intervention. Thus, for example, regions with budget deficits exceeding 30 per cent of their income are subject to direct administrative control by the federal government.

7 The appointment of regional chief executives

Another major reform initiated in 2000 was a law giving Putin powers to dismiss popularly elected governors and to dissolve regional assemblies. This was followed up in the aftermath of the Beslan hostage crisis of September 2004 with even more radical legislation that gives the president the power to directly nominate regional governors.

According to this legislation, which was adopted by the Duma on 11 December 2004, the president’s nominations for the posts of governors had to be approved by the regional assemblies.
However, if the president’s nominee was rejected twice, the president had the right to dissolve the assembly and appoint an acting head to serve until a new legislature was elected. In December 2005 an amendment was adopted which stipulated that the party that won the most seats in a regional legislature was to be granted the right to nominate gubernatorial candidates (subject to approval of the president). This amendment was never put into practice during the Putin presidency. However, in his 2008 speech to the Federal Assembly, Medvedev brought this proposal back to the drawing board, and it was ratified by the Duma in 2009. It is perhaps no coincidence that the amendment was adopted in light of the knowledge that United Russia has a majority of seats in almost all regional assemblies. Moreover, it is the federal party leadership, not regional branch leaders that are to have the final say in who is appointed. Thus, it is Putin, in his capacity as Chair of United Russia, who will have the dominant voice in the appointment of governors.

8 The merger of federal subjects

One of the anomalies of the Russian Constitution was the granting of full federal subject status to Russia’s nine federal okrugs and the one autonomous oblast. These “ten ethnically based autonomies”, which were originally situated inside the borders of other federal subjects, are, according to the Russian Constitution, both equal to and subordinate to their “mother regions”.

In 2005 the Putin administration began a process of merging the okrugs with their mother regions. The rules governing the merger process, which were adopted in 2001, state that all changes to existing administrative boundaries have to be voluntary, and requests for a merger have to come from both regions. Before a merger process can begin the citizens of both regions must give their approval in a referendum. Legislation is then drawn up which requires the support of two thirds of the members of the Duma and three quarters of the members of the Federation Council.

By March 2008 five mergers had been completed (involving six federal subjects), reducing the number of federal subjects from 89 to 83: (1) the unification of Perm Oblast with the Komi–Perm Autonomous Okrug to create Perm Krai on 1 December 2005; (2) the unification of Krasnoyarsk Krai with the Taimyr and Evenk autonomous okrugs to create Krasnoyarsk Krai on 1 January 2007; (3) the unification of Kamchatka Oblast with the Koryak Autonomous Okrug to create Kamchatka Krai on 1 July 2007; (4) the unification of Irkutsk Region with the Ust–Ordyn Buryat Autonomous Okrug to create Irkutsk Region on 1 January 2008; (5) unification of the Chita Oblast with the Agin–Buryat Autonomous Okrug to create the Zabaikal Krai on 1 March 2008 (Kusznir 2008: 10–11) (see Table 12.1).

Table 12.2 shows that there were very high levels of popular support for the mergers in all the regions.

In 2009 the Ministry of Regional Development drew up radical plans for further mergers which, if implemented, would reduce the number of federal subjects to just 23 (De Silva et al. 2009, 24). However, it would appear that such radical plans have now been put on hold. In 2010 a report of the influential think tank, the Institute of Contemporary Development, called for a halt to the merger process. According to the Institute, political calculations rather than economic or administrative criteria played a major role in all of the mergers (see Goble 2010).

The following future mergers are reported to be under consideration by the Kremlin: (1) Arkhangelsk Oblast with Nenets Autonomous Okrug; (2) Stavropol Krai with the Republic of Karachai Cherkessiya; (3) the Republic of Khakassia with Krasnoyarsk Krai; (4) the Republic of Adygeya with Krasnodar Krai; (5) the Republic of Altai with Altai Krai; (6) Moscow City with Moscow Oblast; (7) the city of St Petersburg with Leningrad Oblast; (8) Tyumen Oblast with
Khanty–Mansi and Yamalo–Nenets autonomous okrugs. However, in many of these regions there has been resistance to mergers, and if the Kremlin goes ahead with such a policy, it may inflame ethnic tensions. Many commentators, including Aleksandr Torshin, a Deputy Chair of the Federation Council, have acknowledged that a key aim of the mergers policy is to weaken the ethnic foundations of the federation (Oracheva and Osipov 2010, 221).

**Conclusion**

Since Putin came to power in 2000 the key principles of federalism have come under attack. Changes to the method of selecting members of the Federation Council have fundamentally weakened the legitimacy of the upper chamber and deprived the regions of an independent voice in policy making. Legislation adopted over the period 2003–06 has severely weakened the

### Table 12.1 The process of merging federal subjects

<table>
<thead>
<tr>
<th>Name of the Merged Region</th>
<th>Date of Referendum</th>
<th>Date of Adopting the Constitutional Law on Forming the New Subject of the RF</th>
<th>Date of Forming the New Region</th>
<th>Date of Elections to the Legislative Assemblies of the New Regions</th>
<th>Date of Adopting the New Charters of the Unified Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irkutsk Oblast</td>
<td>16 April 2006</td>
<td>30 December 2006</td>
<td>1 January 2008</td>
<td>12 October 2008</td>
<td>15 April 2009</td>
</tr>
</tbody>
</table>


### Table 12.2 Results of referendums to approve the mergers of federal subjects

<table>
<thead>
<tr>
<th>Region</th>
<th>Turnout (%)</th>
<th>Support for Merger (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perm Oblast</td>
<td>55.72</td>
<td>83.81</td>
</tr>
<tr>
<td>Komi Perm AO</td>
<td>60.51</td>
<td>89.77</td>
</tr>
<tr>
<td>Krasnoyarsk Krai</td>
<td>60.70</td>
<td>92.44</td>
</tr>
<tr>
<td>Taimyr AO</td>
<td>58.82</td>
<td>69.95</td>
</tr>
<tr>
<td>Evenk AO</td>
<td>73.92</td>
<td>79.87</td>
</tr>
<tr>
<td>Kamchatka Oblast</td>
<td>52.23</td>
<td>84.99</td>
</tr>
<tr>
<td>Koryak AO</td>
<td>72.17</td>
<td>89.04</td>
</tr>
<tr>
<td>Irkutsk Oblast</td>
<td>66.01</td>
<td>89.77</td>
</tr>
<tr>
<td>Ust Ordin Buryat AO</td>
<td>88.04</td>
<td>97.97</td>
</tr>
<tr>
<td>Chita Oblast</td>
<td>80.46</td>
<td>90.29</td>
</tr>
<tr>
<td>Agin Buryat AO</td>
<td>89.92</td>
<td>94.00</td>
</tr>
</tbody>
</table>

constitutional powers of the regions and particularly their control over concurrent powers, many of which have been transferred to the jurisdiction of the centre. All of the regional governors have been appointed by the president and there is now a power vertical which stretches from the Kremlin to the localities. Relations between the federal government and the regions are not based on classic federal principles of self rule and shared rule. Hierarchy, centralisation, and unity are the guiding principles of intergovernmental relations. As the 2008 Report of the Federation Council concludes, “A delineation of authorities within a federal system is being substituted by the administrative delegation from the top down … Federal units are turning into administrative territorial ones, which threatens to reform a federal state into an administrative and unitary one” (Mironov and Burbulis 2008, 112). The Russian Federation is a quasi unitary state in federal clothing.

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Regional governance

Darrell Slider

How Russia’s regions are governed determines much about the conditions under which Russian citizens live. Despite the shift toward centralisation of policy making under Vladimir Putin, regions continue to have a major role in the implementation of a wide range of policies. Regional governance can reinforce changes made at the national level, undermine their significance, or provide an impetus to pursue alternative paths of development. Regional executive leaders remain important figures in the process of governance of the country as a whole. Clear evidence of this is the large amount of “face time” allocated to governors by Russia’s president and prime minister. At the same time, centralisation has dramatically changed the role of regional leaders in the Russian political system.

Patterns of past regional governance

The Soviet system of regional governance was, just as that at the national level, highly authoritarian. Regional first secretaries of the Communist Party had enormous power, but they were supposed to carry out policies adopted by central party bodies. As Jerry Hough (1969) described the system in his classic work, regional authorities acted much like French prefects: they were accountable for a region’s performance on a range of indicators, but had considerable discretion in how they accomplished their work. Another legacy of the Soviet period was the extensive networks of officials in each region who were at least nominally subordinate to central agencies or ministries in Moscow. At the same time, the nomenklatura mechanism through which all officials were appointed created de facto lines of accountability to party organs at various levels that supplemented the formal chain of command through government ministries. Attempts to restructure the Soviet economic system led by Kosygin in the mid 1960s and Gorbachev in the late 1980s were seen by most regional officials as a threat, since their ability to govern was directly tied to their informal powers over important industries in their regions. Their inability to accommodate change and reform was an important factor explaining the stagnation and eventual disintegration of the Soviet economy (Rutland 1993).

The limited democratisation that began in the Gorbachev era took the form of a revitalisation of regional legislatures (soviets) through competitive elections in 1990 and a gradual shift of power from communist party organs to executives chosen from within regional soviets. In a few critically important regions that included Moscow and Leningrad, the political opposition (“democrats”) initially came to power; in most cases, the Communist Party elite at the regional level simply moved into executive positions in the new structures. When the Soviet Union ended and the CPSU was dissolved, regional soviets and their executive bodies became the core institutions of
regional governance. In many regions, conflicts grew between the legislative and executive branches that paralleled what was happening between Yeltsin and the Congress of People’s Deputies elected in 1990.

Soviet patterns and informal institutions continued to imprint upon the functioning of regional governance well after the end of the Soviet Union. The vast majority of officials in post-Soviet regional government comprised not newcomers or those who had been outside the old system, but former party and state officials who had held posts in Soviet regional party or state structures. Networks of personal ties, which had a fundamental role in the functioning of the Soviet system (Easter 1996), continued to operate in the era that followed. In some regions, particularly ethnically based republics, the local elite was even more entrenched, drawn from traditional clans. Lamazhaa (2010) illustrates this in the case of Tyva, and similar long-established groups of closed elites were common in the North Caucasus republics. Even the pattern of regional “mafias” so often noted in Soviet politics, as regional leaders moved into national positions and brought with them a coterie of loyal subordinates from the region where they served, was replicated in Putin’s reliance on cadres who worked with him in St. Petersburg’s city government.

The current institutional framework for regional government had its origins in the early years of the Yeltsin presidency. After the August 1991 coup, Yeltsin separated executive and legislative branches in the regions by creating a new post, “chief of regional administration”. Initially he considered making the post popularly elected, but decided to appoint these officials for the first several years. Several regions, some with the Kremlin’s permission and others—including many non-Russian republics—without, had held elections for the top executive post already in 1991. Yeltsin later agreed to this as a general practice, and elections were held for the top executive post in nearly all regions by 1996. Informally, the holder of the top executive post in most regions was called “governor”, while in most ethnic republics the regional constitutions provided for a post of “president” (a number of republics in the North Caucasus decided to end this practice in 2010, thus showing at least symbolically their subordination to the Russian president). Throughout the 1990s the dominance of governors over their regions increased; in some regions—the city of Moscow, Tatarstan, Bashkortostan, Orel, Kalmykiya, and others—regional leaders entrenched themselves and managed to hold on to their posts from the early 1990s until 2010.

In the aftermath of the October 1993 armed confrontation between Yeltsin and the Russian parliament, he dissolved all regional soviets pending the creation of new regional assemblies. In the next years elections were held to the new representative bodies. Considerable authority was ceded to the regions in the choice of electoral system, size of the assembly, and even the name it was given. Each region had the freedom to choose its own electoral system to fill regional assemblies. Moraski (2006) makes the case that the initial choice of electoral systems for new regional legislatures was heavily dependent on the nature of elite competition in each region. Most regions dominated by the old communist elite, or nomenklatura, chose single-member district plurality electoral systems, which placed a premium on the name recognition of candidates and minimised the role of political parties. Regions with greater political competition (elite divisions) tended to choose electoral systems that included an element of proportional representation by parties.

Typically the newly elected legislative bodies were smaller than the previous soviets, and only a small subset of members were full-time legislators. Most of those elected simultaneously held executive positions in industry, business or regional government itself. This dramatically increased the strength of governors and republic leaders, since few independent or opposition candidates were elected. Most deputies had to be in the good graces of the governor, to whom they owed their careers or the well-being of their enterprises (Slider 1996). In this context it was rare for legislatures to oppose a governor on any major issue, and the post-1993 political system in the regions paralleled that of the national government in the relative dominance of the executive.
Political parties were still in their infancy at the time of the first gubernatorial and legislative elections, and few candidates for governor were connected to national political parties. Several regional leaders created their own political parties; if the governor was popular, his link to the party could guarantee a majority in the legislature and limit the role of “outsider” national parties in the regional assembly. The KPRF had organisational advantages in the newly emerging party system and quickly became the party with the most extensive network of regional organisations. It was able to draw support from that part of the population who were alienated by the consequences of the transition to a market economy. Conservative southern regions, particularly those with predominantly rural and older populations, were strongly pro communist (Wegren, 2004). While these views were not as prevalent at the national level, they enabled the phenomenon of “red governors” to emerge in many regions. By 1999 communist candidates for governor had won in Amur, Bryansk, Chelyabinsk, Kaluga, Kemerovo, Kostroma, Kursk, Ryazan, Tambov, Tula, Vladimir, Volgograd, and Voronezh Oblasts, as well as in Stavropol Krai. In Pskov, a candidate from Zhirinovsky’s party, the LDPR, was also elected governor – aided by a first past the post electoral system and multiple candidates. These victories were important first steps that could have facilitated the development of a pluralist, multiparty democracy. At the same time, in some regions legislatures managed to carve out an autonomous role that gave them real input into the policy making process, despite the weak development of political parties (Golosov 2004).

Regional governance under Putin and Medvedev

The Putin years introduced fundamental changes in the functioning of Russian regional government. Putin attempted to standardise regional political institutions while simultaneously under cutting the powers of regional leaders and opposition parties. In 2000 he introduced federal districts headed by presidential envoys, which seemed potentially to place restrictions on the governors’ power. However, his most dramatic step was to end the popular election of regional leaders in late 2004. While the formal procedures for designating regional leaders changed over time, in essence Putin gave himself the power to appoint (and dismiss) regional leaders. He also set about to create a new hierarchical instrument of control in the form of a political party called United Russia.

Vladimir Putin ended popular election of governors in the immediate aftermath of the Beslan school massacre in September 2004. Various explanations have been put forward for this change (see Goode 2007; Slider 2009). The early pattern established by Putin showed that the purpose of the new procedure was not to renew substantially the corps of governors. Instead, the goal was to achieve greater freedom of action that would both allow the Kremlin to remove “ineffective” governors while keeping in place those who were loyal and politically useful. Many in the latter group in 2004 were in danger of falling under term limits that had been adopted in 1999 and that would have prevented them from running for re election. On the other hand, Putin targeted disloyal or potentially disloyal “red governors” for early replacement.

Formally, the process of appointing or reappointing a regional executive went through several stages. The final appointment had to be approved by the regional legislature. In the first five years of the new system, no nominee was ever rejected and usually the candidacy put forward by the president was approved overwhelmingly, if not unanimously (if a regional legislature were to reject a candidate twice, the president could dissolve the assembly and call new elections). Initially, the formal responsibility to nominate a list of candidates was given to the presidential representatives in the seven, later increased to eight, federal districts. In 2009 the law was changed so that the list of candidates would be presented to the president by the political party that had won the largest number of seats in the regional assembly. By that time all regional assemblies were controlled by
United Russia (see below), and the national party organisation took on the function of nominating candidates. The essence of the actual appointment process, however, remained constant: the Kremlin operated behind the scenes to determine which governors would remain in office, which would “volunteer” to leave office early or when their term was up, and which candidates would appear on the list of nominees. The Kremlin official who oversaw this process was Putin’s and Medvedev’s chief political advisor, Vladislav Surkov.

Governors, once they were in office, were expected to help United Russia achieve dominance in national, regional, and local elections. The Kremlin began to pressure governors to join United Russia immediately following the decision to make the post an appointed one. By November 2004, 35 governors had joined the party. Within a year the number had increased to 64, and the vast majority joined United Russia by the end of 2006. As of October 2010, only 6 of 83 regional leaders were not members of the party. Of these, two openly supported the party and only two had been members of opposition parties in the past. Nikolai Vinogradov of Vladimir Oblast, the last of the “red governors”, had been allowed to remain governor only if he suspended his membership of the KPRF. The Kremlin demanded that Nikita Belykh, former leader of the Union of Rightist Forces and an outspoken critic of Putin’s political system, end his political activities as a condition for his appointment as governor of Kirov Oblast in 2009. The logic of the ban on opposition party activity by governors was that the unity of the command structure, the “vertical”, demanded that all cooperate closely with United Russia.

A major change in strategy toward the appointment of regional leaders emerged during Dmitry Medvedev’s presidency. He demonstrated an increasing willingness to remove the longest serving, most powerful of the regional leaders. The new approach began with Yegor Stroev of Orel Oblast in February 2009. Stroev had been party first secretary of Orel in the Soviet period, and led the region since 1985; he had also served as speaker of the Federation Council until that body was overhauled by Vladimir Putin in 2000. In what would become a familiar pattern, Stroev was replaced by a relative unknown, Aleksandr Kozlov, a deputy minister of agriculture with no ties to the region. In the 18 months that followed, Medvedev – with Putin’s approval – forced the resignation of almost all of the most important political “heavyweights” who had dominated their regions since the early 1990s. Among these were Mintimir Shaimiyev (president of Tatarstan), Eduard Rossel (governor of Sverdlovsk Oblast), and Murtaz Rakhimov (president of Bashkortostan). The most important of those targeted was Moscow mayor Yury Luzhkov, who was removed in October 2010. Collectively, these changes marked the symbolic end to an era in which strong regional executives dominated their regions, often independent of federal authority.

In the past, regional leaders had been nationally known political figures: some had established their reputations in another capacity and then were elected governor; others became famous in their role as governor. Some, such as Aleksandr Lebed in 1996 and Yury Luzhkov in 1999, sought the nation’s highest office. The criteria used for selecting governors under Putin and Medvedev transformed the governor corps into a largely nameless and faceless contingent, with most unknown outside their own regions. This has made governors much less important as potential national level political figures, thus reducing the pool of potential political rivals in the future. A key reason is that governors ceased to be politicians; instead they came to be viewed as high level bureaucrats, links in a chain of command.

The only elections held at the regional level after 2005 were to regional legislatures. Here, too, the Kremlin introduced substantial changes that made regional governance more uniform and reduced the potential for oppositional political activity. The concept of a national party vertical would make no sense without ensuring United Russia a dominant role in all regional political institutions, and this result was achieved in short order (Gel’man 2008; see also Table 13.1).
Table 13.1 Growing dominance of United Russia in regional legislatures, 2004–2010

<table>
<thead>
<tr>
<th>Republic</th>
<th>Seats in Legislature</th>
<th>Size of UR fraction</th>
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<tbody>
<tr>
<td></td>
<td>2010</td>
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<td><strong>Republics</strong></td>
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<tr>
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<tr>
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<tr>
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<td>41 (40 until 2008)</td>
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<tr>
<td>Chuvashiya</td>
<td>44 (73 until 2006)</td>
<td>24</td>
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<tr>
<td>Dagestan</td>
<td>72 (121 until 2007)</td>
<td>24</td>
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<tr>
<td>Ingushetiya</td>
<td>27 (34 until 2008)</td>
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<tr>
<td>Kabardino Balkariya</td>
<td>72 (92 until 2006; 110 to 2009)</td>
<td>72**</td>
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<td>Kalmykiya</td>
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<td>Karachai Cherkessiya</td>
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<tr>
<td>Kareliya</td>
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<td>Mari El</td>
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<td>Mordovia</td>
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<td>Sakha</td>
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<td>Tatarstan</td>
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<td>Kamchatka</td>
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<td>Krasnodar</td>
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<td>Krasnoyarsk</td>
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<td>Perm</td>
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<td>Primorye</td>
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<td><strong>Oblast</strong></td>
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<tr>
<td>Arkhangelsk</td>
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<td>Astrakhan</td>
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<tr>
<td>Belgorod</td>
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<td>Briansk</td>
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<tr>
<td>Chelyabinsk</td>
<td>60 (45 until 2006)</td>
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<td>Chita</td>
<td>42</td>
<td>15</td>
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<tr>
<td>Irkutsk</td>
<td>50 (45 until 2008)</td>
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<tr>
<td>Ivanovo</td>
<td>48 (35 until 2005)</td>
<td>20*</td>
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<tr>
<td>Kaliningrad</td>
<td>40 (32 until 2006)</td>
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Table 13.1 (Continued)

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<thead>
<tr>
<th>Seats in Legislature</th>
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<td>Kaluga</td>
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<td>Kirov</td>
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<td>Kostroma</td>
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<td>Kursk</td>
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<td>Leningrad</td>
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<td>Lipetsk</td>
<td>56 (38 until 2006)</td>
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<td>Magadan</td>
<td>25 (17 until 2005)</td>
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<td>Moscow Oblast</td>
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<td>Murmansk</td>
<td>32 (25 until 2007)</td>
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<tr>
<td>Nizhegorod</td>
<td>50 (45 until 2008)</td>
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<td>Novgorod</td>
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<tr>
<td>Novosibirsk</td>
<td>76 (49 until 2005; 98 to 2010)</td>
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<td>Omsk</td>
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<td>Orel</td>
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<td>Orenburg</td>
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<td>Penza</td>
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<td>Perm Oblast</td>
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<td>Pskov</td>
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<td>Ryazan</td>
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<td>Rostov</td>
<td>50 (45 until 2008)</td>
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<td>Sakhalin</td>
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<td>Samara</td>
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<td>Tambov</td>
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<td>Tver</td>
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<td>Vologda</td>
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<tr>
<td>Voronezh</td>
<td>56 (45 until 2005)</td>
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<tr>
<td>Yaroslavl</td>
<td>50</td>
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</tbody>
</table>

**Federal Cities**

| Moscow City          | 35      | 14      | 28**    | 29**    | 32**    |
| St. Petersburg       | 50      | 13      | 24      | 23      | 23      |
Very early in the Putin period, new laws on elections and political parties severely disadvantaged regionally based parties. They were prevented from participating in national elections, and forced to jump additional hurdles in order to take part in regional elections. The reduction in the number of effective parties set the stage for increasing the role of proportional elections by party list. A federal law passed in 2003 required that at least half of the deputies in regional assemblies had to be chosen by party list, and in some regions all deputies were chosen this way. Periodic initiatives to require exclusively proportional elections, as had been adopted for the State Duma, were ultimately rejected. The regional electoral experience of United Russia in the new conditions showed that it could easily win the vast majority of elections based on one round of voting in single mandate districts. By 2010 the “mixed” electoral system in place in most regions allowed the party to obtain two thirds majorities in 62 of 83 regional assemblies. (A two thirds majority permits an assembly to override a governor’s veto or adopt changes in a region’s “constitution”; see Table 13.1.)

How did United Russia achieve overwhelming dominance in so many diverse regions so quickly? One element of the explanation is simply that the party was able to take advantage of its links to Vladimir Putin. Thanks in part to the state controlled media, Putin throughout his presidency and afterwards was an extremely popular political figure. His association with the party, even though he refused to join, allowed United Russia to run as “Putin’s party”. Regional elites could claim that if they won under his banner, they could more effectively lobby the Kremlin and the Russian government for resources. Nevertheless, in every region the popularity of United Russia was always less than Putin’s, mainly because of its reputation as the “party of bureaucrats” – in this context a word always rendered in Russian as “chinovniki”, which has a negative connotation.

Elections at all levels came to be influenced by a heavy dose of “political technologies” and “administrative resources”. A wide range of measures was applied by regional governments to undermine the campaigns of opposition parties: they prevented access to the local media, denied space for meetings with voters, assigned government employees to confiscate opposition fliers and posters, influenced decisions by local courts, organised early voting by government workers,
intimidated opposition candidates and their backers, and engaged in crude falsification of ballots. Parties other than the four “parliamentary” parties (United Russia, KPRF, LDPR, and Just Russia) were required to register in each region in order to appear on the ballot, and regional election commissions often found, or invented, reasons not to register opposition parties that were not in the Kremlin’s good graces. Political technologies were not a product of the Putin era; they had emerged in the mid 1990s, but they became more extensive and sophisticated over time. Regional leaders had the greatest control over these potential levers. While in earlier periods they could act as free agents, governors were increasingly integrated into the Putin vertical after 2005, and they used these instruments to the advantage of United Russia.

St Petersburg, the home region of Putin and Medvedev, was, ironically, the only region in 2010 in which United Russia did not have a majority (the party still enjoyed a plurality in the city assembly). The explanation is probably not that voters there knew the ruling “tandem” better than other regions, but that in St Petersburg the level of civic political awareness made political technologies and administrative levers less effective. The city’s leader, Valentina Matvienko, was one of the last governors to formally affiliate herself with United Russia, though she still worked on its behalf in regional elections. More importantly, St Petersburg was one of the few regions to adopt an electoral system completely based on party list voting. Even here, the authorities were able to use control over the electoral process to alter the playing field. The liberal opposition party Yabloko, which had always had a strong presence in the city, was kept off the ballot for the 2007 city council elections through a commonly used mechanism: when the city election commission reviewed the party’s registration petition, it claimed that too many of the signatures on its petition were forged.

Impact on the quality of regional governance

How have the political developments described above affected the performance of state institutions at the regional level? The “quality of governance” has been the subject of much attention by the Russian leadership and can be evaluated from a wide range of perspectives.

Governors ceased to be accountable to voters and instead had to answer to the Kremlin. The question immediately arose: answer for what? The Kremlin struggled to find a system that would allow it to evaluate the performance of regional leaders in the absence of elections. The main emphasis was on creating a mechanism to measure the “effectiveness of management”. In 2007 Putin issued a decree setting out 43 criteria to judge the effectiveness of regional leaders; by 2009 the number of indicators had risen to almost 300 (Petrov 2010). Most of these indicators related to economic output, infrastructure development, demographic trends, etc. It became common practice that virtually every time Putin or Medvedev met with a group of governors to address an unresolved problem, a new indicator would be added to the list. As the Soviet experience with economic planning through indicators showed, multiple indicators are not easy to aggregate. As a consequence, Soviet enterprises tended to be evaluated on just one indicator, gross output, which then became the near exclusive focus of factory directors and local party officials. In Putin’s and Medvedev’s Russia it could be argued that two main factors were of primary interest to the Kremlin.

First, governors were expected to maintain political stability in their regions. This was measured in terms of the lack of political “disturbances” of various types – especially mass demonstrations with an anti government agenda. Russia’s constitution provides for freedom of assembly, but the practice encouraged under Putin was to grant regional authorities the power to “authorise” – and therefore ban – public meetings. Governors and regional leaders had an incentive to prevent protests or demonstrations, particularly if there was a danger that federal authorities were a target of these demonstrations. Moscow’s refusal to allow political opponents to hold even small rallies was in line with this policy, even though it cast a shadow on Russia’s
reputation as a country that observes its own constitutional guarantees of freedom of assembly. An object lesson to other regional leaders was the dismissal in 2010 of Kaliningrad’s governor, Georgy Boos, in the aftermath of large opposition protests. Boos’s performance as governor in other respects, such as the chief economic and social indicators, was no worse than the norm.

Second, the Kremlin expected governors to demonstrate their loyalty to the leadership and produce big majorities for the ruling party in regional and national elections. The latter was measured by the percentage of the vote won by United Russia, as compared with past electoral performance by the party in the same region. This informal indicator provided the incentive for regional leaders to apply every possible “administrative resource” to ensure victory for United Russia. Personal loyalty to the Kremlin simply demanded that regional leaders refrain from criticism of policies once they were adopted by the top leadership. They were expected not to participate in national debates over policy, but to implement policies effectively.

In numerous statements during his presidency, Dmitry Medvedev identified two critical goals relating to the quality of governance: reducing corruption and “improving” Russian democracy. From the perspective of regional governance, both areas have experienced significant deterioration in the period since 2000. Putin’s re-engineering of the framework of regional governance was designed for a different set of purposes: political stability, enhanced control, and predictability.

Corruption

Putin initially advocated strengthening the vertical of authority as a means to increase discipline and legality – at the beginning of Putin’s first term a basic principle was described as instituting the “dictatorship of law”. But by all accounts, corruption at the regional level dramatically increased during his presidency.

Dininio and Orttung (2005) have made the case that regional variation in corruption correlated with the number of bureaucrats in a region (they used a combined total of federal, regional, and local officials): in regions where the number of bureaucrats was larger, the opportunities for corruption were greater. Institutionally, they attributed this in part to the emergence of a “vacuum of accountability” (2005, 527) as new mechanisms to monitor bureaucrats were slow to develop. This logic helps to explain why corruption would get worse in the Putin era. The “supply side” of corruption – that is, the number of officials – rose sharply, especially in the period 2005–06 (see Table 13.2). There was a massive increase in the size of federal agencies operating at the regional level. This also contributed to new problems in the quality of regional governance, in that the lines of authority were increasingly blurred. As the role of federal ministries in the regions increased, there was no corresponding improvement in the mechanisms that would allow governors to coordinate the activities of the numerous federal agencies whose functions overlapped with regional government (Slider 2008).

Another source of the growth in corruption was the Kremlin’s apparent indifference to the development of corrupt regional networks and massive violations of federal law. One might expect

| Table 13.2 Government employees in the regions (in thousands) |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Federal organs in the regions | 374.1    | 348.3    | 418      | 432.6    | 432.9    | 560.2    | 615.5    | 625.7    | 633.7    |
| Regional Government          | 179.8    | 169.9    | 177.1    | 182.8    | 181.9    | 189.2    | 200      | 221.1    | 246.6    |

Notes: Executive branch only; does not include courts, prosecutors, police, military; end-of-year totals.

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that Moscow, as the capital, would be one region constantly under the watchful eyes of the
Kremlin. Yet during Yury Luzhkov’s 18 years in power, the city became a leader in corruption,
mismanagement, and obstructing the activity of any businesses not linked to city officials. There
was substantial evidence (Nemtsov 2009) that the construction business of Luzhkov’s billionaire
wife, Yelena Baturina, owed much of its success to favourable treatment by city agencies overseeing
the building sector. Small businesses, on the other hand, reported a hostile environment overseen
by rapacious Moscow bureaucrats. The city government, in violation of federal law, classified about
one quarter of its decrees and resolutions as “for internal use only”, and it invested billions of dollars
of city tax revenues in private businesses such as banks, hotels, airlines, and construction companies.
Until October 2010, however, Putin, Medvedev, and other federal officials did nothing to stop the
corruption and misallocation of resources in Luzhkov’s Moscow. It was only when Luzhkov
showed signs of disloyalty (to Medvedev, not Putin) that he was forced to resign his post. Sergei
Sobyanin, Luzhkov’s replacement, was chosen primarily for his loyalty and administrative compe-
tence, not his ability to root out corruption. Few other regions experienced corruption on the scale
of Moscow, in part because there was less to steal elsewhere, but the sense that entrenched elites had
a right to exploit their region’s assets for personal gain was endemic.

Democratisation

Changes in regional governance have also had major implications for democratisation of regional
politics. A number of scholars detected increasing political pluralism in the late 1990s, which
foreshadowed the rise of more democratic polities in some regions. Marsh (2002) examined the
second series of gubernatorial elections of 1999–2001 and found evidence of substantial regional
political variation; some regions exhibited high levels of electoral competition and citizen
participation, while others were little changed from Soviet times. Konitzer (2005) also looked
at elections of governors, including those held during Putin’s first term, and found that economic
voting – where voters re-elected or ousted governors based on significant changes in economic
conditions in the region – was increasingly characteristic of regional elections. Nicolai Petro (2004)
singled out Novgorod as a province that, due to a variety of factors, including cultural heritage and
progressive economic policy, showed a more advanced level of democratisation than was typical
in Russian regions. Not least in importance was leadership by a forward looking governor,
Mikhail Prusak (Prusak was removed by Putin in 2007, in part due to the poor performance by
United Russia in regional elections). Lankina and Getachew (2008) argued that the relative open-
ness of regions to democratisation varied in response to the level of interaction between regions
and foreign “role models” for political innovation. Western regions exhibited higher levels of
political openness as a result of heightened contact with Western democracies. Regions that were
more distant from role models were less likely to have created a business climate friendly to outside
investors and tended to have fewer democratic practices for choosing local government officials.

The nature of Putin’s political system, however, was to eliminate regional political differentia-
tion as much as possible, including multi party politics and the rise of effective democratic
institutions. Elections and campaigns were subject to massive administrative manipulation that
undermined the legitimacy of the electoral process.

The growing monopoly on political power exercised by the Kremlin and the eclipse of all
other parties for the benefit of United Russia had a serious impact on democratic development in
the regions. This is seen most clearly in the shrinking of the political spectrum that took place
under Putin. Just as at the national level, the main target in the regions has been the two small
liberal parties that emerged in the early 1990s – Yabloko and the right wing alliance that went
under various names, most recently Union of Right Forces (Soyuz Pravykh Sil) and Rightist Cause
These parties were rarely strong enough to exercise real power at the regional level, but they provided an important voice for political innovation and democratic values. Their elimination, while comforting to those who feared a “coloured revolution” in Russia along the lines of what happened in Georgia in 2003 and Ukraine in 2004, deprived the Russian political spectrum of important critical viewpoints.

Regional legislatures have gone from a position of perhaps too much power in 1991–93 to becoming weak appendages of the executive with little or no political autonomy. In Russia’s emerging dominant party system, the monopoly on legislative activity exercised by United Russia reduces the ability of assemblies to make effective policy at the regional level. Just as at the national level, regional assemblies have ceased to be a “place for discussion” since there is no need to compromise with political rivals or opponents. In its single minded effort to turn Russia into a well oiled political machine, the Kremlin has stunted the potential offered by its regions for adaptation, growth, and reform.

References


Local government reform in Russia has mirrored, pendulum-like, the turbulent national political developments of the two post-communist decades. This chapter analyses local government institution building in the context of broader regime changes, those of federalism and socio-economic reforms. In the first section I highlight the key milestones of local government reform and local government's key features under the first president, Boris Yeltsin. In the second section I describe the radical local government reform of Yeltsin’s successor, Vladimir Putin, focusing on the context in which this reform took place and the key provisions of the new local government legislation. The third section discusses the implementation of these reforms and their outcomes against the background of consolidating authoritarianism. The final section concludes.

Local government reform in Russia: early milestones

In the post-communist period Russia pursued several rounds of local government reform. In 1990–92 local government enjoyed a brief renaissance after the USSR leader Mikhail Gorbachev allowed the first popular and competitive elections to the local soviets. After the USSR collapsed, in the context of Russia’s first president Boris Yeltsin’s struggle with the Supreme Soviet, many local councils were disbanded as they were often wrongly associated with support for the conservative anti-Yeltsin forces in the Supreme Soviet. Generally, however, the Yeltsin era legislation and practice allowed for a large degree of local government independence from higher levels of authority. The 1993 Constitution stipulated institutional separation of local self-government from the state. In 1996, following admission to the Council of Europe (CoE), Russia ratified the European Charter of Local Self Government. It also transferred authority over local government from the federal to the regional level in the context of growing regionalisation. The hyper-regionalisation of the 1990s led to a motley array of local government institutions and practices, many of them vastly at odds with federal legislation (Gel’man and Lankina 2008; Kahn 2002; Lankina 2004).

The key legal document on local government in Russia until Putin’s presidency had been the 1995 law on local self-government, which allowed for the election of local councils at various levels. The law has been much criticised for its vagueness with regard to the powers of various levels of authority, yet it also allowed for flexibility in the design of local institutions that democratic theory and practice has shown to be appropriate. Such flexibility would appear to be especially desirable in a nation as diverse as Russia, where the localities are bound to have distinct preferences as to municipal boundaries, institutions and finances. The system suffered from
many inadequacies, and lack of legal precision in local functions led to a severe problem of unfunded mandates and resource dependence on higher level authorities. This in turn encouraged political dependence on regional leaders. The resource-rich regional capitals, however, often successfully resisted regional political pressures, becoming a source of the emergence of counter-elites rallying local constituencies, publishing their own opposition newspapers, and supporting societal groups challenging authoritarian regional regimes. They were often supported by federal authorities eager to set curbs on the excessive power of some regional leaders. Institutional pluralism therefore fed the development of elite and political pluralism at a regional level, while also providing local governments with some flexibility in pursuing social and economic development objectives tailored to local needs (Lankina 2004).

When Vladimir Putin became President in 2000, he initiated a policy of recentralisation (Reddaway and Orttung 2005). The new leader skilfully exploited the nation’s public craving for security and order after the horrific events of September 1999 when apartment blocks in Moscow and other regions were destroyed in powerful explosions which were subsequently blamed on Chechen terrorists. Putin’s key step in the creation of the power vertical was to establish control over regional executive and representative institutions. The president acquired legal authority to dismiss regional governors and to disband regional parliaments if they violated federal constitutional provisions in their law making (Orttung 2005). In September 2004, Putin pushed through a law that abolished competitive election of regional executives and made governors subject to presidential appointment (Goode 2007). Regional legislative electoral institutions had also been changed as part of a broader effort to help “develop” the Russian party system, but actually led to the undermining of the foundations for a genuinely competitive electoral democracy. The Kremlin managed to push through legislation ensuring that at least half of all representatives were to be elected in regional assemblies based on proportional representation. Legal provisions were also put in place making the formation and electoral contestation of regional parties illegal (Lankina 2009). The local government reform should be seen in this context of a broader effort at the creation of a functioning “power vertical” (Reddaway 2005). I now turn to a discussion of the municipal reform effort itself and its outcomes.

The 2003 local government legislation

The institutional framework for revamped local government had been outlined in the new local government law, prepared by the “super lawyer” Dmitry Kozak, who had earlier been in charge of reform of the judiciary. The parliament passed the law in October 2003 after several readings.

The law rigidly regulated the precise institutional set-up and criteria for delimiting boundaries and functions of the new local government bodies. The new legislation distinguished among five types of municipal formations – urban settlement (gorodskoye poseleniye), village settlement (sel’skoye poseleniye), municipal county (munitsipal’nyy rayon), city district (gorodskoy okrug) and inner city territory of a city of federal significance (vnutrigorodskaya territoriya goroda federal’nogo znacheniya). These were in turn grouped into three main tiers of local government – settlements (poseleniya), municipal counties (munitsipal’nye rayony) and urban districts (gorodskiy okrug). The settlement was to become the lowest tier in the new law, comprising villages, small towns, and groups of adjacent towns or villages. The urban settlement was to be a settlement, which would include a town or a settlement of city type (posyolok gorodskogo tipa), and adjacent territories, which might include villages or other types of settlements. While the urban settlement was to centre on a larger town, the village settlement would include only village type settlements. The second tier would be the municipal
county (MR), which was meant to cover larger territories and to comprise groups of settlements. The third tier would be the city district (gorodskoy okrug, GO), which territorially would be distinct from the municipal county (Lankina 2005).

According to the new legislation, all of the new formations were to have significantly fewer functions than hitherto performed under the 1995 local government law, and there would be a much clearer division of responsibilities between the three tiers. The settlements were to be largely confined to performing such territorial services as street lighting and cleaning, basic fire protection, and sanitation. The municipal counties were to be responsible for functions of an “inter municipal” kind, i.e. those that concern larger territories, require greater coordination, and cannot be efficiently performed by one or several smaller units located on the territory of the county. Examples of such inter municipal services would be the supply of electricity and gas to the towns located on the territory of the municipal county, construction and maintenance of roads linking the settlements, liquidation of the consequences of natural disasters, maintenance of the municipal militia (police), and environmental control. In the law, the list of functions of the city district largely duplicated that of the municipal county. The main difference was that the former were to deliver services of an “inter municipal” character only to the narrower territories of towns located in the vicinity of the larger city, as well as to perform inner city services, not performed by the latter, such as street lighting or the provision to low income families of municipal housing (Lankina 2005).

Two essential areas over which local government partly or fully lost authority after the passage of the law were schooling and medical services. The law did not assign the settlements authority over the above areas. It made the municipal counties and city districts responsible for the “organisation of the delivery” of schooling services, but not for the “financing of the education process”, that is, the payment of teacher and staff salaries and the purchase of educational materials and books. In the medical sphere, the law charged municipal counties and city districts with emergency medical aid and basic primary services. While shedding the burden of authority over the costly schooling and medical spheres, municipalities were to retain responsibility for the maintenance of the housing and communal infrastructure, generically referred to as zhilishchnoye khozyaystvo (ZhKKh). This aspect of the legislation had been the subject of much criticism as ZhKKh has been considered to be among the costliest of local government functions (Lankina 2005).

Reform advocates defended the new three tier system of local government on the grounds that it would ensure a clear division of responsibilities and the most efficient delivery of services to the local population. The reforms were to address what has ostensibly been one of the key issues with the 1995 local government legislation. The 1995 law on local self government gave municipalities of all territorial levels a wide range of functions but did not clearly specify which authority would be responsible for what services. There were no “tiers” present in the previous legislation, and even the tiny village units had been assumed to perform functions as complicated and wide ranging as those performed by large cities. Reform advocates argued that this created numerous jurisdictional conflicts, duplication of functions and confusion as to who was ultimately responsible for the performance of which services (Lankina 2005).

The creation of new tiers with clear division of responsibilities among them was also meant to enhance democratic accountability. The settlements in particular were the reformers’ main claim to a grassroots component as over 10,000 new municipal entities, many of which had been disbanded after 1993 in the context of Yeltsin’s struggle against conservative forces, were to be recreated. The new law was packed with provisions that were to justify the claim of local government’s “maximum possible proximity to the local populations”. It was very detailed as to the “forms of popular local governance”. Aside from the democratic channel of participating in local
decision making through elections, the law provided for local referenda, assemblies, citizens’ right to legal initiative, formation of territorial organs of public governance, public hearings, citizens’ meetings, conferences and plebiscites (Lankina 2005).

Despite such stipulations and pronouncements about genuine local governance and grassroots rule, the law de jure institutionalised what had been in many regions the practice of de facto local government dependence on higher level authorities. The law endowed regional governors with authority over the creation of new local government territorial boundaries. Governors could also influence the appointment of local executives in the high revenue generating localities, and hence those with a strong potential to have political forces challenging regional governors, such as those at the municipal county and city district levels.

Among the law’s most controversial provisions with regard to regional authority over local government were procedures for election and appointment of the chief executive figure at municipal county and city district levels. In addition to the possibility of having a popularly elected mayor, the law provided for an additional figure, a head of administration (HA) or manager appointed on a contractual basis subject to “competition” for a period of time that would be set by a local government charter of a municipal formation. Kozak maintained that the difference between the popularly elected mayor and the manager would be that the mayor would be the “political face” of the locality, and the manager would be a “professional” with managerial qualifications that the elected figure may lack (Gorodetskaya 2002). The form of appointment of the city manager has been criticised by the local government community. This is because the key local executive at the municipal county and city district levels would be institutionally strongly dependent on regional authorities. While the settlement level “manager” would be appointed by a selection commission and would be subject to approval by the settlement council, the selection commission on the municipal county and city district levels would be approved both by the respective local councils and by the regional representative body. The regional assembly would make the decision to delegate representatives of regional state power upon “presentation” of a given candidate by the regional head. The law stipulated that regional bodies may delegate up to one third of the members of the commission. Regional governors were also given the right to remove the manager prior to termination of a contract if they failed to perform well the delegated state functions (Lankina 2005).

The law was vague on provisions for municipal revenue sources. This had been a subject of grave concern among municipal practitioners and also among regional authorities who feared that they would have to carry the burden of financially supporting the local level of authority. Amendments to the budget and tax codes that had been made as the law was being drafted progressively undermined local government’s own revenue base, most notably through taxation. The main source of local revenue through local taxation was to be physical persons’ property tax and land tax that generate little revenue, and, in the case of the property tax, have been vulnerable to tax evasion (Tikhonov 2009).

The implementation of some of the key aspects of the law, such as municipal boundary delimitation and the setting up of new bodies, was to begin immediately after its passage. The law itself was to take full effect in 2006; however, in 2005 full implementation was extended until January 2009 (Lankina 2005; Ross 2007). The following sections analyse the reform implementation and outcomes.

Reform outcomes: where did it go wrong?

Putin’s stated objectives of fairness, transparency and accountability for reforming the federation were considered sound. Key individuals in the federal bodies charged with reform, most notably
Dmitry Kozak himself, were evidently genuinely interested in improving the working of the federal system and local government in particular. In practice, the reform implementation stumbled on the same kinds of problems that plagued local governance before 2003. Furthermore, the reformers’ rhetoric on democracy, accountability and grassroots rule turned out to have little genuine underpinning; this rhetoric was to be employed as part of an effort to consolidate the power of the Kremlin and undermine the political pluralism that existed under the previous Yeltsin administration. Against the background of a consolidating authoritarian state, the fact that there had been little democratic input into the reform process also helped doom even the earnest attempt at reform of technocrats in the federal administration like Kozak. The Kremlin, eager to push through the reform, also ignored the opinions of experts, the academic community and other civil society actors. The municipal and regional practitioners most directly affected by the reform had been also notably absent from the decision making and consultation process. The result was legislation overtly centralist in its intent, poorly designed and thought through, and facing numerous practical implementation pitfalls (Lankina 2009). As such, it repeated the pattern of institutional decay observed with other reform efforts of the 2000s that the Russian political scientist Vladimir Gel’man (2010) characterised as being a product of the “dead end of authoritarian modernization”.

The comprehensive reform effort tackling various aspects of centre–regional and local relations pursued simultaneously at all levels – federal, regional and local – generated substantial confusion and resentment in the regions and localities. Pendulum like initiatives were taken within a matter of a few months, weeks or even days. For instance, this happened with reforms related to forestry and forestry exploitation by regional and local government. Thus, the federal government would announce that forestry related powers would be taken over by the centre from the regions, only to introduce a legal amendment to the legislation handing it back to the regions within a matter of a few weeks. In January 2006, when the author conducted research in Russia’s forestry rich region of Kareliya, she witnessed first hand the confusion and resentment that these actions led to and the criticisms voiced by the various actors involved – regional officials, mayors, scientists, environmentalists and indigenous ethnic groups engaged in traditional forms of forestry use (Lankina 2006). Some other reform plans were only partially implemented or were shelved altogether following public discontent. The socially unpopular welfare benefits reform, known as the monetisation of benefits reform, fell victim to popular resentment when in January February 2005 it led to nationwide social protests. Popular discontent also led to the postponement of the local government related reform of the housing and communal services, which was to increase utility and housing costs (Lankina 2009; Petrov 2007).

Despite the fact that the government did not have a comprehensive strategy to deal with the country’s inter ethnic relations aside from Chechnya, local government reform also indirectly touched upon inter ethnic relations in Russia’s diverse regions. Because the law rigidly stipulated the form, size and territorial scope of municipalities, it did not provide for flexible solutions to local issues that would reflect a community’s ethnic make up, modes of governance or historic boundaries. Ethnic protests took place when new administrative boundaries deprived an ethnic group compactly residing in a locality of some important resource, or when a community had been placed under the jurisdiction of a municipality where another ethnic group was in a majority. In the ethnically diverse and volatile North Caucasus region, such instances were recorded in the Republics of Kabardino–Balkariya and Karachai–Cherkessiya (Lankina 2005; Markedonov 2007).

Although the setting up of the local bodies went along as scheduled, resulting in the delimitation of new boundaries, the establishment of new institutions and the holding of elections to the newly created councils, the reforms were plagued with uncertainties about sources of
financing of the new municipalities’ operation and performance of their new functions. Despite federal pledges to the contrary, fiscal mechanisms for local revenue generation remained poorly defined, and local bodies, with the exception of urban municipalities which had been doing well even before the reform (Tikhonov 2009), have increasingly depended on the regional level bodies, for funding. It has been estimated that in 1999, the official year of the completion of the reform, 90 per cent of the 25,000 or so municipalities continued to depend overwhelmingly on state transfers, while their own sources of tax revenue have generated meagre income (Mironov 2009). The Ministry of Finance estimates that in 2007 such local sources of revenue as the land tax constituted only 3.3 per cent of the overall municipal budget revenue, while that on the physical person’s property was only 0.3 per cent. Experts estimate that while these tax shares may be higher than the national average in densely populated areas, they are even more negligible in low population density areas with cheap land, such as in the northern regions (Tikhonov 2009).

A widespread practice has been for the lowest level of municipal authority – the settlement – to delegate some of the more substantive functions to the higher municipal county or regional level. Kozak estimates that 15 per cent of all municipalities delegated almost the entire range of their functions to the regional level (www.urbaneconomics.ru).

Another practice has been to combine existing municipal settlements into larger municipal entities. In some regions, such as Sverdlovsk, Sakhalin, and Kaliningrad Oblasts, most of the municipalities had been aggregated into larger city district entities. Although this practice goes against the grain of the key thrust of the initiative, namely the introduction of local government at the settlement level, it has enjoyed substantial support among government ministries on the grounds of administrative efficiency and cost effectiveness. These administrative changes, however, have not been accompanied by the provision of additional infrastructure for the rural settlements aggregated into the enlarged municipalities, such as transportation infrastructure that would facilitate contact with municipal bodies, which would be particularly crucial in areas with long distances between settlements and extremely poor road infrastructure. Because much of the infrastructure remains concentrated at the county level, while the village and small town Soviet era schools, culture centres, libraries, sports facilities and other social facilities had not been replaced, these developments have contributed further to the process of the degradation of the Russian countryside (Mironov 2009).

The new local government bodies created by government fiat from above, and therefore corresponding weakly to traditional administrative or community boundaries, also inspired little enthusiasm among the local publics – a fact which defeated their “grassroots rule” purpose. Particularly at the settlement level, the extremely low electoral turnouts and lack of enthusiasm in running for office with weak financial basis became a source of embarrassment for regional leaders keen to demonstrate the success of the reform (Lankina 2009). There has been a corresponding drop in prestige of running for office in the local government bodies. As one opposition politician complained, “to become a local self government deputy these days is un prestigious and even embarrassing … it would mean making promises to the electorate that are impossible to fulfil” (Pavlov 2010). The local citizenry has shown little enthusiasm in the new bodies after they had been set up and became operational. Russia wide public opinion surveys have shown that interest in, and respect for, local institutions, has been on the decline since the start of the reforms (www.regions.ru, 16 October 2008, accessed 5 March 2010).

United Russia (UR) has exploited the low citizen interest in running for local office and participating in local elections by aggressively filling local councils with pro government United Russia loyalists. Observers of municipal elections have noted that it is at this level that the most
blatant violations of the electoral process designed to ensure the victory of UR candidates have been most widespread. While UR has accused opposition parties of not fielding enough candidates, opposition parties like the Communist Party of the Russian Federation (KPRF) have complained that candidates openly contesting on an opposition ticket have been routinely subjected to a variety of administrative pressures to withdraw from contesting the seats. Local election commissions have frequently resorted to absurd pretexts to deny candidate registration, such as a failure to supply the commission with a copy of the candidate’s passport (Vasil’ev et al. 2009). At the same time, because local governments, including at the highest county level, have continued to depend on regional authorities for funding, a UR-controlled regional government has been in a strong position to put pressure on the electorate to vote for the party as much as it has on opposition candidates contesting local elections to withdraw from electoral participation (Pavlov 2010).

The continued tendency of UR to populate local councils was in evidence at the local elections held on 14 March 2010. The new local government law allows for both majoritarian and proportional representation (PR) systems, which could be decided at the discretion of local law makers and stipulated in local charters. In 2004–05, 91 per cent of regions had majoritarian systems of relative majority in local councils, while 47 municipalities in five regions had a mixed PR and majoritarian system – Volgograd, Nizhegorod, Tomsk, Tula and Chita Oblasts. Only one municipality nationwide, in Volgograd, had a proportional system. By 2009, 97.62 per cent of all municipalities had majoritarian systems of relative majority, 293 municipalities, or 1.24 per cent of the total, had a mixed system, and only 60, or 0.25 per cent of municipalities, maintained a PR system (“Formirovanie organov mestnego . . .” 2009). The higher number of municipalities with PR and mixed systems may be due to the increased number of municipalities set up in accordance with the new law. It may also be indicative of an upward trend in favour of the PR type of electoral system. On numerous occasions, the governing party and the Kremlin have indicated support for PR, presumably due to its potential to ensure electoral success for the ruling party. Thus, the parliament has considered draft legislation mandating the election of municipal district deputies according to a proportional system (Kynev 2006).

Irrespective of the electoral system, the UR Party was successful at winning most of the mandates in many of the politically and economically important regional administrative centres. In Astrakhan, UR won 24 of the 35 mandates, while the remaining seats went to independents (8), KPRF (1), Liberal Democratic Party (1) and Just Russia (1). In Voronezh, UR obtained 33 mandates, while the KPRF obtained one and Just Russia two mandates. In Ivanovo, the party increased its number of mandates by seven. In Lipetsk, UR obtained 32 mandates, while the remaining three went to independents. In Novosibirsk, UR now boasts 30 mandates, the KPRF six, Just Russia one and independents three. UR also obtained the largest number of mandates in Smolensk, Tula and Ulyanovsk (Petrov 2010; Russian Central Electoral Commission; www.russiatoday.com, 15 March 2010, accessed 20 March 2010). Because elections to the various regional and local bodies are often held on the same day, poll percentage has been reasonably high in the last election, and exceeded that of the previous years. In some regions, it came to close to or exceeded 40 per cent. Thus, in Khabarovsky it was 45 per cent, in Yamalo Nenets 39 per cent, and in Ryazan 27 per cent (TsIK RF 2010). However, voting figures can be misleading as numerous electoral violations are recorded. Thus, in Tula, ten polling stations recorded between 12 and 25 per cent of people voting ahead of time (“Produkrivnnyy nabor golosov” 2010).

The political imperative to extend the “power vertical” all the way to the settlement level has also led to a tendency to abolish popular election of mayors under pressure from UR. Early on in the reform process, many regional capitals succeeded in preserving this important democratic
institution. Gel’man and Lankina found that, contrary to Kozak’s pronouncements about lack of local democracy before the 2003 law came into effect, among regional capital cities, only 10 did not have direct mayoral elections, while in 65 cities mayors had been elected. Between 2003 and 2006, two regional capitals changed their practice from having non-elected to elected mayors, and 13 cities abolished mayoral elections. These data on regional capitals were roughly similar to two surveys of local governments conducted by the Moscow-based think tank the Institute of Urban Economics (IUE) in 2003 and 2006 in all types of municipalities. By 2007, although a larger number, 21 cities, had no elected mayors, 54 continued to have elected mayors, only three of whom were not chief executives (Gel’man and Lankina 2008).

Over the last three years, however, the trend has been to abolish mayoral elections in a growing number of regional cities. The Kremlin has repeatedly denied plans to abolish the election as it would violate Article 12 of the Constitution stipulating that local government does not form part of state power. The UR deputies in the State Duma, however, have made repeated attempts to amend the new legislation so as to legalise mayoral appointment (Gorodetskaya and Idratullin 2006). In 2006, President Putin himself publicly floated the idea of appointment of mayors in cities with a population of over one million so as to strengthen the power vertical. The substantial opposition that this statement generated from the municipal community led the UR-affiliated State Duma speaker Boris Gryzlov to pledge that this would not happen, at least until 2009. In January 2009, Putin’s successor, President Dmitry Medvedev, proposed an amendment to the existing local government law that would facilitate the removal of elected mayors at the initiative of governors and two-thirds of council deputies in place of the more complicated procedure of removal through court sanction or as a result of a referendum (Beluza 2009; Kovalevskaya 2009).

The UR’s aggressive tactics of pushing through amendments to local charters abolishing popular election of mayors and substituting it with election by council deputies have been in evidence in many regions. The party succeeded in doing so in such large cities as Samara, Stavropol, Ryazan, Nizhniy Novgorod, Tyumen, Perm, Kazan, Ufa and Tver (Barabanov 2009). A practice of “tandem” has been widespread whereby the city elected assembly approves the head of municipality, an official with few functions, while the governor enters into a contract with a more powerful city manager, who controls finances but is also loyal to the regional governor (Barabanov 2009). The democratic parties have challenged this practice as it serves to further strengthen UR influence on local decision making.

Other undemocratic tactics to secure popular endorsement of the elimination of mayoral election have also been employed. In some cities referenda on the relevant charter amendments were scheduled to coincide with summer holidays, effectively sabotaging a popular vote on the reform. This happened in Novgorod, where the UR-affiliated then regional governor, Mikhail Prusak, used UR party members in the Novgorod city Duma to push through the amendment after a failed referendum when only 4.5 per cent turned out to vote on the charter amendment (Kolotnecha 2007). A more recent example is the city of Orenburg, where in January 2010 the democratic opposition Yabloko party accused the UR deputies of making the amendments behind closed doors and of ignoring popular protest initiatives demanding the restoration of popular election of mayors (“Partiya ‘Yedinaya Rossiya . . .” 2010).

While at the beginning of 2008, heads of 16,676 municipalities, 69.7 per cent of all municipalities, had been directly elected, in only 31.3 per cent of municipalities were mayors elected from amongst council deputies. It has been estimated that the 2010 figures are close to 50 per cent (Barabanov 2009). Kozak admits that while the number of full-time popularly elected deputies has decreased compared with the pre-reform period, the share of unelected municipal functionaries has increased by 10 per cent (Kozak 2010).
Where the institution of mayoral election has survived, the Kremlin has punished governors who failed to ensure the victory of a UR mayor in elections to regional capitals. In some regions, the governors exerted substantial pressures on the electorate and electoral commissions to ensure that the vote went to a UR loyalist. The Sochi election, where the democratic politician of the opposition Solidarnost group Boris Nemtsov challenged the UR contender Anatoly Pakhomov, received wide publicity – as many as 37 per cent of the electorate allegedly voted ahead of schedule in absentee ballots, and all the votes had been recorded as going for Pakhomov (Barabanov 2009).

Most recently, numerous instances of electoral fraud associated with UR were recorded during the 14 March 2010 municipal elections that took place in several regions (Produktivnyy 2010). UR emerged victorious in four out of five key regional capital city mayoral elections. It won in Krasnodar, Omsk, Rostov on Don and Ulyanovsk. However, in what mirrored the relative success of the communists in the election to both regional and local elections held on that day, it did lose to a KPRF candidate in the important regional city of Irkutsk.

Conclusion

If there ever was genuine grassroots local government in late communist and post communist Russia, it was in the brief period of 1990–92, when the first popular elections to the soviets yielded vocal, politically and civically plural and active councils. They accomplished little (but which councils would in such a short period of time, even in established democracies with a tradition of an independent local government?). The fate of these assemblies and of local government in its subsequent incarnations mirrored that of the short lived Russian democracy. Following a brief period of independence, local government fell victim to federal and centre–regional political struggles under Yeltsin, to efforts at authoritarian consolidation under Putin and Medvedev, and to incompetence even where genuine intentions to create an autonomous and functioning local government existed. In the long term, these failed reform outcomes are bound to contribute further to regional and local alienation from national politics, to the already low levels of effectiveness in addressing local socio economic problems, and to the erosion of the cohesiveness and durability of the Russian Federation in its present institutional and territorial contours.

Notes

1 The federal cities of Moscow and St Petersburg and Moscow and Leningrad Oblasts, as well as the city of Grozny, capital of the Chechen republic, have been excluded from the analysis. Capitals of autonomous districts, which had been merged with neighboring regions after 2003, were also omitted. The sample therefore had 75 regional capitals.

2 This happened in Murmansk, where the governor Yury Yevdokimov had been removed from office after a UR candidate lost to an opponent by 25 percentage points (Barabanov 2009).

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The bureaucracy

Eugene Huskey

Relations between politics and administration

The study of state bureaucracy in Western countries has largely been relegated to a special subfield of political science known as public administration. Where the study of politics investigates the resolution by the state of competing claims by individuals and groups, public administration focuses on the management of state organisations, a more technical pursuit that examines such issues as public sector budgeting and human resource management. Whether the tendency to de-emphasise politics in the study of Western bureaucracies is justifiable remains an open question, but it is clearly inappropriate in the many parts of the world that lack a modern civil service. In countries like Russia, bureaucracy is the lifeblood of politics, and to understand who governs Russia and how, there is no better starting point than officialdom.

The fusion of politics and administration in Russia is evident in three areas: the career paths of the leaders of the state; the absence of a tradition of political neutrality among bureaucratic officials; and the restraints on political power imposed by informal bureaucratic practices. Russia’s rulers in the post-communist era have tended to rely on state service rather than elective office or private sector careers as a springboard to political leadership. In the late 1990s, as Ol’ga Kryshantovskaya and Stephen White have illustrated, Russian presidents began to recruit persons with careers in the uniformed services – the siloviki – to leading positions of state (Kryshantovskaya and White 2003). However, recruits from civilian administration have also moved directly into key posts in Russian government, and thus the distinguishing characteristic of the Russian political leadership is less its militarisation than its bureaucratisation. Unlike in democratic regimes, the Russian political elite prepares for the responsibilities of government not by pursuing what might be termed “society oriented” careers in parties, parliament, or the liberal professions, but by rising through the ranks of state service. For example, of the 81 ministers and deputy ministers in the Russian Government in 2008 under Vladimir Putin, only 11 had previously held elective office (Vtoroi kabinet Putina . . . 2008).

The role of the state bureaucracy as the primary recruitment source for the political leadership would be less noteworthy if Russia had what public administration specialists call a “representative bureaucracy”, mirroring the diversity of Russian society, or if it had an authentic civil service characterised by a devotion to law, professionalism, and public spiritedness. However, as Alexander Obolonsky has pointed out, Russian officialdom is a “ruler’s service” (gosudareva sluzhba), which is part of “a patrimonial model of officialdom [that] is primarily oriented toward servicing the needs of the ruler (khозиain gosudarstva), whatever their formal title, or indeed, whether or not the leadership role is embodied in a single individual or a group of persons ...”
(Obolonsky 2009, 301). This sense of the separateness of Russian officialdom from society is confirmed by recent survey research, which indicates that over 76 per cent of the population believes that Russian bureaucrats “represent a special caste (soslovie), which has its own interests and a distinct way of life” (“Byurokratya i vlast . . .” 2005, Table 11).

Careers in the state bureaucracy have also served as preparation for work at the highest levels of Russian industry and commerce, especially since 2000. In a study of the Russian economic elite in early 2009, we found that 30 per cent of the senior managers and board members of Russia’s top 20 companies by market capitalisation had worked in the state bureaucracy in the post-communist era. Even more striking is the fact that in 2009 30 high ranking Russian bureaucrats combined state employment with membership on the boards of leading Russian companies, in some cases serving as board chairs (Huskey 2010). Such an overlap of bureaucratic and industrial careers is not unheard of in the democratic world – in France the system of pantouflage encourages the interweaving of administrative, political, and business careers – but in Russia movement into politics and business is likely to occur towards the end of a career in state administration. The result is a ruling class that brings to politics and economics the habits of the heart acquired in state administration, with its peculiar Russian combination of technocracy and pervasive power networks rather than an emphasis on constituency representation or market efficiency.

In the Weberian civil service ideal, the bureaucracy is insulated from political pressures by several traditions. These include the hiring, promotion, firing, and remuneration of personnel based on the principle of merit rather than spoils, and the insistence on loyalty to office, law, and professional norms rather than devotion to person, party, or ideology. Despite some reforms designed to encourage the adoption of these Weberian traditions in the Russian bureaucracy, which will be discussed below, officials in Russian state service remain vulnerable to political pressures. This has been especially evident in the judicial system, where the chairs of courts, who come up for reappointment regularly, have used their power to assign cases and reward or punish judges as means of serving the interests of political incumbents (Solomon 2008). The absence of political neutrality in the operation of the Russian bureaucracy is also apparent during election campaigns, when incumbents mobilise state officials to support their re-election efforts. This ability of incumbents to deploy “administrative resources” has served as a major impediment to the development of competitive politics in Russia (e.g. Ledeneva 2006).

Finally, the effacement of the boundaries between politics and administration in Russia is evident in the widespread ill-discipline and corruption of the bureaucracy. Although those in state service serve as loyal agents of political principles on matters of high importance to their superiors, such as re-election campaigns, they often pursue their own agendas as independent actors on many everyday matters of administration. The result is a plethora of informal practices that often undermine official policies of state. One of the most common of these is the bureaucrats’ use of state inspections to extort money from businesses, thus raising the transaction costs for Russian enterprises. A respected Moscow-based think tank estimated that the total cost of corruption for the economy was $30 billion annually (“Corruption Process in Russia . . .” 2005). By acting as self-aggrandising intermediaries between policy makers and society, Russian bureaucrats not only impede economic development but reduce the legitimacy, capacity, and efficiency of the state.

**Structure and personnel**

To appreciate the size and distribution of personnel in the Russian state bureaucracy, a few words on its basic anatomy are in order. First, Russian officialdom includes only those involved directly in state administration, which leaves out large numbers of state employees, such as teachers and doctors, who are considered “budget workers” (biudzhetniki). Second, state administration is
divided into military and civilian sectors, and the civilian sector is itself divided into those working for executive, legislative, and judicial organisations. Third, officials in state administration are employed by one of three levels of government: federal, provincial (regions or republics), or local government (mestnaya vlast). This does not mean, however, that federal officials work only in Moscow or that provincial officials work only in a regional or republican capital. As we shall see below, a federal official is in fact more likely to work outside of Moscow than in the capital.

Russian officialdom is also divided by category (or corps), office (dolzhnost), office grade (gruppa dolzhnostei), and service rank (klassnyi chин). After 1995, elected officials, ministers (and their equivalents in regional and local government), and judges were considered to be Category A personnel, and they hired and fired at their discretion a small number of personal advisors and staff members, who made up Category B of Russian officialdom. Category C officials were members of the permanent state bureaucracy. However, the 2004 legislation on the civilian state service introduced a new set of categories, in which “state offices” (gosudarstvennie dolzhnosti) replaced Category A positions; those working in Category B positions were placed in the corps of “assistants (advisors)” (pomoshchniki (sovetniki)); and the former members of Category C were divided into leadership, specialist, and support corps. As if this system were not sufficiently confusing, the individual offices (dolzhnosti) occupied by officials working in the leadership, assistant (advisor), specialist, and support corps were arrayed hierarchically into five grades, which range from higher (vysshie), main (glavnye), and leading (vedushcie) at the top to senior (starshie) and junior (mladshie) at the bottom. Besides attaching a grade to each office, the Russian bureaucracy also assigns a service rank to each individual occupying these posts. There are a total of 15 service ranks, three for each of the five office grades noted above. According to some observers, the complexity of this structure, which is reminiscent of the Russian Table of Ranks introduced at the beginning of the eighteenth century by Peter the Great, has encouraged the continuation in post communist Russia of an unhealthy emphasis on the “mystical power of rank” (Obolonsky 2009, 304).

In 2009, Russia employed 1,233,054 persons in civilian state administration, of whom over 90 per cent worked as members of the permanent state service (formerly Category C workers, now those in the leadership, specialist, and support corps). As Table 15.1 illustrates, the federal government employed over half of the total number of officials involved in civilian state administration (634,814), but only a small portion of these personnel – 39,021, or just over 6 per cent – worked in Moscow. The remainder, 595,793, were employed by federal agencies dispersed across the breadth of the Russian Federation. These federal territorial workers equalled almost exactly the total number of officials working for provincial governments in the more than 80 regions and republics of Russia (233,337) and for Russian local governments (364,903) (“Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009a; “Sostav kadrov munitsipal’noj sluzhby . . .” 2009).

Table 15.1 The size of Russian officialdom by level of government, 1 October 2009

| Officials working in Federal Agencies in Moscow | 39,021 |
| Federal Territorial Officials | 595,793 |
| Provincial Government Officials | 233,337 |
| Local Government Officials | 364,903 |
| Total | 1,233,054 |

Among personnel involved in federal and provincial administration on 1 October 2009, 82 per cent worked in executive agencies, 15 per cent were employed in the judicial or procuratorial corps, and 3 per cent served in legislative or other state organisations (“Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009a).

A sociological portrait of the Russian state bureaucracy differs in important respects from that of the Russian population writ large. For example, women make up over 71 per cent of officials working in federal or provincial state administration, and over 75 per cent of those employed by local governments (“Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009b). Unsurprisingly for a country where women have traditionally been tracked into jobs with lower pay and prestige, the distribution of women across state service ranks is highly uneven. Whereas men outnumber women by two to one in the highest grade of the permanent state service (rukovoditeli s vysshei dolzhnostiu) – a category that represents the top 1 per cent of bureaucrats – men make up less than 15 per cent of those working on the lowest rung of officialdom (obespechivayushchie spetsialisti s mladshei dolzhnostiu). If one considers Russia in a comparative frame, however, the gap between men and women at the top and bottom of officialdom is unremarkable, lying as it does in the middle of the range for seven OECD countries (“Structure of the civil service . . .” 2009; “Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009a). What seems to be unusual about Russia is not the distribution of high achieving women across grades or ranks but across sectors of state. Even when women rise to the pinnacle of officialdom, they are likely to occupy positions in “female appropriate” agencies, which in the Soviet and post communist Russian traditions have included such ministries as labour, culture, and finance (Rowney and Huskey 2009, 326).

Where the late Soviet and early post communist years witnessed a greying of the Russian bureaucracy, the last decade has brought some rejuvenation of officialdom. In the period from 2002 to 2008, the average age of officials in Russian state service declined from 40 to 39 years, an age that is similar to that in state bureaucracies in many developed societies (“Chislo gossluzhashchikh . . .” 2009; “Federal’naya programma . . .” 2002). The distribution of personnel across age cohorts is also unremarkable. There is, however, a significant gap between the age profile of personnel working for federal agencies in Moscow and those employed as federal territorial workers outside the capital. Among the former, more than 36 per cent were over age 50 and less than 24 per cent were under 30, whereas the figures for federal workers serving in the provinces were 19 per cent and 32 per cent, respectively. Thus, although Russia seems to be undergoing a generational shift in officialdom, there are still some pockets of the state bureaucracy where middle aged and older cadres predominate. In some cases, of course, this is associated with the lengthy experience required for certain posts. For example, among those in the highest rank of federal state service, almost 56 per cent are aged 50 and over (“Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009e).

Although it is still common to find officials working in local government who lack university education, over 87 per cent of those employed in federal and regional civilian administration had completed at least a first degree, with most of those destined for state service reading law, economics or business. Of those with a university degree, 10 per cent returned to university to complete another first degree in a different field – with the new subject of state and municipal administration an increasingly popular option – and 1.6 per cent went on to receive a Kandidat degree or a doctorate (“Sostav kadrov gosudarstvennoi grazhdanskoj sluzhby . . .” 2009c).

Once in the ranks of state service, officials are required to undergo attestation and retraining every three years, though many federal agencies and provincial governments have not been fastidious in respecting this rule. Dismissal of personnel on the basis of poor performance reviews is relatively uncommon in Russia. When superiors wish to rid themselves of incompetent or
unreliable subordinates, they appear more likely to use organisational restructuring to marginalise undesirable personnel and to bring in their own team, a practice that is disruptive to the operation of state administration. The incessant merging, elimination, and revival of state agencies that has characterised the post communist Russian bureaucracy is not conducive to the kind of jurisdictional clarity and consistency that is found in bureaucracies that adhere more closely to the Weberian ideal.

There have been three controversies relating to the pay of Russian officialdom in the post communist era. The first has been the overall level of remuneration. With the rise of a market economy in the 1990s, the state bureaucracy found itself in competition for talent with private firms that often offered better pay, conditions, and opportunities for career advancement. In part because of the haemorrhaging of talent from Russian officialdom in the 1990s, President Putin introduced a series of pay rises in the early 2000s designed to attract and retain talented personnel. The appeal of officialdom was also enhanced in the Putin era by the realignment of relations between society and the state, which allowed those in state service to reclaim some of the influence over economic matters that had been lost in the transition from communist rule.

The second controversy concerns the balance between base salary and other pay and benefits. As part of a broader campaign to monetise benefits in the Russian economy, President Putin introduced changes that reduced the share of remuneration provided to state officials in benefits and various topping up payments, and so part of the increase in base salary over the last decade was designed to compensate for the reduction in benefits. The movement toward a higher percentage of remuneration paid in base salary should encourage greater discipline in state budgeting and a reduction in the discretion that superiors have in determining the pay levels of their subordinates, one of the many informal practices that has encouraged loyalty to persons rather than loyalty to offices in Russian state administration.

A third contentious issue relating to remuneration is the variance in pay received by officials working at different levels of administration and in different geographical areas. The first decade of the post communist era witnessed not only the rapid growth in the size of provincial bureaucracies – commensurate with the expansion of their influence in Russian governance – but also a dramatic increase in the average salaries received by officials working for regional and republican governments. Although the centre has succeeded in wresting back political power from the periphery over the last decade, the gap in pay between federal and provincial state servants persists. In 2009, federal officials received an average of 23,700 rubles a month and local officials 23,000, whereas their counterparts in provincial governments were earning an average of 32,900 a month (“Dannye o chislennosti . . .” 2009). One is tempted to explain some of this variance by the higher wages paid to regional workers in remote northern locales, where the cost of living is considerably higher – effectively a continuation of the Soviet era practice of paying those in inhospitable zones what was called a “coefficient”. But of course federal territorial workers are also spread across the northern tier of provinces, and their pay rates are consistently lower than those working for regional and republican governments. In Arkhangelsk, for example, provincial officials make an average of 55,762 rubles a month, whereas their federal counterparts earn 34,000; in the Nenets region, federal workers get less than half of the 110,460 rubles a month paid to provincial officials. There are also wide disparities in remuneration between regions in the same climatic zone. For example, provincial officials make only 18,000 rubles a month in Pskov but 35,000 in Voronezh (“Dannye o chislennosti . . .” 2009). Although labour mobility for jobs in state administration is limited across provincial boundaries, pay differentials of this magnitude should at some point result in highly uneven administrative performance across territories.
The challenges of bureaucratic reform

When Russia emerged as an independent state in late 1991, the reform of the state bureaucracy was not a high priority. There were, the political leadership believed, bigger issues on the agenda, including the resolution of tensions between executive and legislative authority and the dismantling of the command economy. A few matters in the administrative realm required immediate attention, such as the transformation of the network of Higher Party Schools into new academies of state service (Huskey 2004), but it was only in 1995 that the country adopted the first major law on state administration, and this legislation did little to modernise the bureaucracy (“Ob osnovakh gosudarstvennoi sluzhby . . .” 1995). By 1997, the Yeltsin administration – and international financial institutions – recognised that the country’s economic performance depended as much on the appropriate institutional infrastructure as on macroeconomic reform and privatisation. Thus, in the spring of 1998, President Yeltsin devoted a portion of his annual message to parliament to the need for a thoroughgoing reform of the state bureaucracy. In the words of Alexander Obolonsky (2009, 305), who advised the Kremlin in this period on civil service reform, Yeltsin’s speech called for, among other things, the introduction of competitive hiring in order to attract the most competent and honest personnel into the state bureaucracy; a clearer differentiation between political appointees and career bureaucrats; the monetization of benefits that had previously been provided in kind; fewer, but better paid, state officials; and the protection of officials from the caprice and incompetence of their superiors.

In the years since that speech, there has been a flurry of laws and policy initiatives designed to modernise the state bureaucracy. Some relate to administrative reform, which in Russia signifies changes to the structure and functions of state organisations themselves; others concern civil service reform, which addresses personnel issues. In 2004, a major administrative reform stream lined the bureaucracy by reducing dramatically the number of ministries, from 23 to 13, and the number of deputy prime ministers and deputy ministers, who had served as important “veto points” in the crafting and implementation of state policy. Borrowing elements from the New Public Management (NPM) initiatives in the Anglo Saxon world, which are designed to bring government closer to the public, Russia also divided each ministry into three discrete units. These include a small ministerial core which is responsible for overall policy formation and implementation, “agencies” (agenstva) which monitor the behaviour of the bureaucracy, and “services” (sluzhba) which provide goods and services to the population. These administrative reforms have not, however, lived up to their promise. Recent years have witnessed a significant expansion in the number of ministries and in the complexity of the ministerial leadership teams, and the tripartite division of Russian ministries has done little to bridge the gap between bureaucracy and society or to clarify lines of authority in state administration.

Another administrative initiative in the spirit of NPM has been the expansion of Russia’s e-government, which has made the state bureaucracy more “legible” to the public. For example, the websites of many government organisations now contain information on the organisation, personnel, rules, and operation of officialdom that is as expansive and easily accessed as that in many developed societies. The digital interface between citizens and the state that new information systems make possible is also beginning to transform the process of submitting information and requests to the state, although in this regard Russia still lags well behind Western states.

With regard to civil service reform, the basic legislative infrastructure was in place by the middle of the last decade. Following the circulation of a new Conception of State Service Reform in August 2001 (“Kонцепция реформирования . . .” 2001), the Russian parliament adopted a
framework law (рамочный закон) on officialdom two years later that laid the groundwork for more
detailed legislation on each branch of state service – military, civilian, and diplomatic – and
encouraged a common approach to issues of rank and service tenure, which should facilitate the
movement of personnel across military and civilian branches and among federal, provincial, and
local bureaucracies (“О системе государственной службы…” 2003). In 2004, parliament intro-
duced the first detailed “branch” statute, on civilian state service, which contains provisions on the
full range of topics relating to personnel, from questions of hiring, promotion, and dismissal to the
rights and responsibilities of state officials (“О государственной гражданской службе…” 2004). However, the political leadership has had to supplement these and related legislative initiatives6
with specific instructions directing selected executive agencies to assure the implementation of the
new rules on officialdom. The most recent example of this type of directive, introduced by
presidential decree in March 2009, was the “Federal Programme on the Reform and Development
of the State Service System of the Russian Federation (2009–13)”, a document that recognises the
continuing challenges facing Russian officialdom (“Государственная программа…” 2009). These
challenges include corruption, the low level of professionalism and financial vulnerability of many
officials, the absence of a federal personnel management office, insufficient emphasis on merit in
recruitment, and a lack of transparency and accountability of the state bureaucracy to the public.

As Vladimir Gimpelson, Vladimir Magun, and Robert Brym (2009, 324) have observed,
“developing countries that enjoy rapid economic growth tend to employ meritocratic selection
procedures”, which bring into state service the best human capital and insulate personnel from
political influence. At least until the Medvedev presidency, however, Russia rarely relied on
merit based hiring, which had been called for in legislation as early as 1995. Competitions for
vacancies were announced infrequently, standardised competency tests were the exception, and
personal connections with employees were important in over 90 per cent of hires, according to a
survey conducted at the beginning of the Putin presidency (ibid.). There are indications, however,
that the Russian state bureaucracy has become more insistent on recruitment procedures that
heighten competition and reduce the importance of the “spoils” principle in hiring. Where several
years ago only a few institutions, such as the presidency and the Ministry of Economic
Development, employed competitive hiring practices, the public announcement of vacancies
and the use of selection committees appeared to be common in the hiring of personnel above the
“junior” office grade (младшая группа должностей) by 2010.7

A recent initiative, however, threatens to undermine the adoption of traditional competitive
hiring practices. This is the pre-screening and selection of pools of candidates to be promoted to
leading positions in the Russian state bureaucracy. Revived from the Soviet era, this “cadres
reserve system” creates lists of candidates eligible to step into vacancies in officialdom, and compe-
titive searches can be waived when a candidate is appointed to a vacancy from the cadres reserve
(Federal’ny zakon 2004, Art. 22.2.5; see “Государственной гражданской службе…” 2004).
Each state institution may form its own cadres reserve and then subject reserve members to testing and
training in advance of promotion. There are also prominent reserve lists formed by the Russian
president (the so-called “Presidential 1000”), by the eight federal districts, by each of the regions
and republics, and by local governments. At the end of 2009, the Kremlin published 500 members
of the “Presidential 1000”, whose names had been suggested by “experts” and then vetted by the
presidential administration. Of these presidential “reservists”, who appear destined to occupy
leading state posts, 32 per cent were drawn from the ranks of federal agencies, 19 per cent from
regional institutions, 30 per cent from the business world, and 19 per cent from positions in science
and education. Almost 14 per cent are women (“Опубликован список 500 лиц…” 2009).

This method of cultivating and appointing a new generation of leaders appears to be motivated
by two factors: a lack of confidence in the ability of the traditional labour market to provide on
demand a sufficient quantity and quality of personnel, and a desire of political and administrative leaders to control as tightly as possible the passage of personnel through the state ranks. Succession planning is, of course, a longstanding practice in prominent private firms in the West. In a state bureaucracy, however, the revival of what I have called “nomenklatura lite” has its dangers:

Because those enlisted in the cadres reserve have a stake in maintaining in office superiors who tapped them for future promotion, they will be tempted to exhibit a loyalty to their political and administrative patrons that undermines principles of bureaucratic neutrality. Thus, the existence of cadres reserve lists makes it easier for politicians to employ ‘administrative resources’ and related tactics to stay in power.

(Huskey 2009, 262; also see Huskey 2004b)

On policies such as the recruitment of personnel through the cadres reserve lists, President Medvedev has continued the general line established earlier by President Putin, but Medvedev has brought a greater intensity of interest and effort to civil service reform. For Medvedev, who assumed responsibility for civil service policy and practice in 2003, when he was the first deputy leader of Putin’s presidential bureaucracy, the modernisation of state administration and the legal system has become a central theme of his presidency.8 His dissatisfaction with the status quo and his commitment to reform in these areas were evident in his annual message to the Russian parliament in November 2009. In a widely quoted selection from that speech, he complained that

the state bureaucracy is the biggest employer, the most active publisher, the best producer, and is its own court, its own political party, and ultimately its own people. This is a completely ineffective system and leads only to corruption … an all powerful bureaucracy is a mortal danger for civil society.

(Medvedev 2009)

It is too early to conclude whether Putin’s and Medvedev’s efforts to remake the bureaucracy are genuine and, if so, whether they will be able to overcome the vigorous resistance to reform from officialdom itself. The sheer number and visibility of initiatives designed to combat corruption in the state bureaucracy under the Putin/Medvedev tandem suggest that this may be more than the latest half hearted anti corruption campaign, whose earlier incarnations dot the historical landscape in Russia.9 As usual, however, this anti corruption drives focuses more on tighter policing and oversight – the perennial solution to all administrative problems in Russia – rather than on changing the structure of incentives for Russian bureaucrats. Under newly enforced rules, for example, Russian state officials must declare all wealth and income under penalty of expulsion from the ranks. They are also subject to stricter ethics requirements regarding conflicts of interest, both during and after state service. Furthermore, in order to reduce the use of state inspections as a vehicle for bribe taking, the political leadership recently required state agencies to receive permission from the Procuracy before conducting any unplanned inspections (“O zashchite prav . . .” 2008). The problem with these and similar measures, however, is that they open the way for selective persecution and prosecution based on information withheld on income and wealth filings. Moreover, creating yet more “checking mechanisms”, such as the Procuracy in respect to the inspections of businesses, adds an additional layer of bureaucratic regulation, which establishes new opportunities for rent seeking.

The success or failure of this latest round of reform depends in part on the alignment of the friends and foes of bureaucratic change in the Russian political leadership. But political will by itself is not sufficient to carry out a fundamental transformation of Russian state administration. Because the civil agents of state must implement changes in their own ranks, there is every
temptation – in order to minimise the loss of bureaucratic discretion, authority, and rents – to ignore, delay, or distort the laws and policies advanced by their principals. Enhancing traditional checking mechanisms and policing powers will only work, and then imperfectly, as long as the political leadership maintains intense pressure from above on the state bureaucracy. A permanent cure for the longstanding pathologies of Russian state administration must await broader political and legal reforms that make state officials accountable before independent courts and before a public that is informed about administrative behaviour through an independent press. President Medvedev may be right in claiming that “the reform of the civil service is in some senses a permanent process for every government” (“Medvedev nachinaet . . .” 2009), but Russia risks wasting yet another window of opportunity to modernise the bureaucracy if it fails to recognise that the efficiency and capacity of the state is not guaranteed by the concentration of political power but by the willingness of a political leadership to share power with law, professionalism, parties, and voters (Rowney and Huskey 2009, 330).

Notes
1 The judicial branch also includes for statistical purposes the members of the Procuracy, which undertakes criminal investigations, public prosecution, and the oversight of legality. For some purposes, the diplomatic service is treated as a separate branch of officialdom.
2 In the peculiar lexicon of Russian public administration, those working for either federal or provincial authorities are considered to be part of state service (grazhdanskaya sluzhba), whereas those working in cities or districts are referred to as municipal servants (munitsipal’nye sluzhashchie). Distinct legislation on officialdom exists at each of the three levels, though federal legislation creates the normative framework for lower-level laws relating to provincial and local officials.
3 On the history of ranks in Russian officialdom, see Bennett (1980).
4 The figures from the OECD date from 1997 and range from 0.27 in Canada to 0.54 in France. The figure for Russia in 2009 was 0.40.
5 Another oddity of Russian federalism is the difference in the ratio of federal to provincial officials in various regions and republics, remembering that this study covers only civilian officials, and so military personnel are excluded. In Chelyabinsk region, for example, there are six times as many federal as regional officials, whereas Chechnya and Ingushetiya have more regional than federal personnel (the former has twice as many). The average ratio of executive agency officials nationwide is approximately 2.5 federal workers to 1 provincial official.
6 See, for example, the new law on municipal service of 2007 (“O munitsipal’noi sluzhbe . . .” 2007).
7 Russian law does not require competitive hiring for persons entering the lowest grade of support personnel.
8 On Medvedev’s work on bureaucratic reform in the first term of Putin, see (“Reformirovanie gosudarstvennoi . . .” 2003).
9 The institutional headquarters for the anti-corruption drive is the Council to Fight Corruption (Sovet po protivodeistviyu korruptsii), which is a part of the presidential bureaucracy. On its composition and activities, see the rich collection of materials on its website, http://state.kremlin.ru/council/12/news.

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The bureaucracy


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The story of law and courts in the first two decades of the Russian Federation is one of dramatic reform initiatives, whose realisation and impact were limited by culture and politics alike. While the content of the laws and shape of legal institutions changed a lot, the state of law and its place in the social order of Russia in 2010 bore a strong resemblance to what they had been for much of Russian history, including the Soviet era.

In the USSR, political authorities, including leaders of the Communist Party of the Soviet Union, treated law(s) and courts as instruments of rule, available to advance policies as well as specific interests of leaders (Solomon 1996). Whole areas of public law that did not fit with party rule remained underdeveloped (constitutional law, administrative law), and the same pattern applied to large parts of civil law relating to commercial transactions among private businesses and the ownership of property. Courts and judges had low status and, notwithstanding the language in the Constitutions of 1936 and 1977, were dependent upon politicians in the regions and localities as well as the centre, which had the leverage to influence the outcome of particular cases that mattered to them. Positivist and formalist views of law dominated the scene, and there was little recognition of the potential role of courts in shaping the law or in advancing rights. All too often, the regulations issued by government agencies changed or distorted the meaning of the laws that they were supposed to implement. Criminal justice displayed a strong accusatorial bias, in which the interests of law enforcement agencies dominated the work of the courts and were manifested in the near disappearance of acquittals (Solomon 1987).

Under the light of public scrutiny that Mikhail Sergeevich Gorbachev’s policy of glasnost made possible, many of these defects in the Soviet legal system got aired and discussed, and in mid-1988 the Communist leaders endorsed legal reform in the name of creating a “socialist law-based state” (a state where officials were subject to the laws but communist leaders remained outside it). This hedged commitment served as the basis for an impressive reform agenda whose realisation was soon eclipsed by the disintegration of both the state-administered economy and the partocracy. In 1990–91 the Russian government of Boris Yeltsin began competing with Gorbachev’s USSR on the legal front and consistently outflanked it in reform initiatives. For example, shortly after the USSR created a Constitutional Council with limited powers, the government of the RFSFR responded by establishing in 1991 a fully fledged Constitutional Court with the power to declare laws unconstitutional. Also in 1991, the Russian Supreme Soviet approved a far-reaching “Conception of Judicial Reform” written by a group of nine reformers (mainly scholars), parts of which were implemented in the Yeltsin years (Solomon and Foglesong 2000).

The remaking of laws and the unfolding of judicial reform under Yeltsin and Putin were closely connected to the struggles to develop a stable market economy, to create workable
relations among levels of government, and to fashion an effective and trusted system of justice. Treating the two post Soviet decades as a whole, this account deals in turn with developments in the law and laws; with the reform of courts (including the three types of courts – constitutional, arbitrazh, and general jurisdiction); with the cultivation of rights and rights discourse (by courts and other bodies); and with the persistence of informal practices that have enabled powerful people to use laws and courts for their own purposes and have reinforced public cynicism about law and courts.

**The law**

In its first two decades the Russian Federation experienced an explosion of law making marked by a drastic expansion of the scope of legal regulation, as well as new approaches to old issues, and reflected in a barrage of new codes and major pieces of legislation. For sheer volume the changes were greatest in private law, where the need to regulate business activities, property in general, land and real estate, intellectual property, and other aspects of a market economy found reflection in a new and huge civil code. Public law did not lag behind, marked in particular by the development of constitutional law (through federal constitutional laws required by the Constitution of 1993 and decisions of the Constitutional Court) and of administrative law in a Western sense, that is the possibility of challenging in court (general and arbitrazh) the legality of the actions of administrative officials, including regulations that they produced. Finally, all areas of procedural law, including civil, arbitrazh, and criminal, have witnessed new approaches and new codes (with multiple rewritings), in part to introduce elements of adversarialism, including the revival of jury trials (for details on many areas of material and procedural law, see Burnham et al. 2009; Butler 2009).

In theory the new Russian legal order involved a clear hierarchy of normative acts, starting from a Constitution that was meant to serve as basic law, and whose provisions no laws of any level of government should contradict. Moreover, the new Constitutional Court was given the power to review the constitutionality of those laws and declare them inoperative. As we shall see, acceptance and realisation of decisions of that Court by regional governments and other courts did not happen automatically or easily. At the same time, the officials entrusted with the implementation of laws often developed regulations that gave laws their real meaning, which at times deviated from the intent of the law maker. In short, the problem of regulations trumping laws, or the inversion of legal hierarchy so common in Soviet times, remained a feature of Russian legal space in the post Soviet era (Solomon 2008; for the Soviet period see Huskey 1990).

Following the civil law tradition, Soviet jurists did not treat the decisions of courts as a source of law. But the new power of the Constitutional Court of the Russian Federation to rule on the constitutionality of laws meant that in post Soviet Russia court decisions became a source of law, just as they did in West European countries as a result of the authoritative status of decisions of Europe wide courts. This change raised the question of the possible role of precedent in Russian law. As of 2010 a debate was raging among leading judges and jurists about whether Russian law actually had precedent already, whether it should have precedent, and what precedent might mean (Senatskie chteniia 2010).

Overall, the quality of laws and law making in Russia was low. One reason was the lack of legal expertise among Duma members. Another was the readiness of officials in the executive branch to endorse laws that conferred discretion on them and their allies. Many laws were written in general or vague language that required administrative regulations (instruktsii) before they acquired meaning (such laws were called “framework laws” (ramochnye) or even “skeleton laws” (skeletnye)).
Equally common was the presence of contradictions among laws (especially of different levels of government) and of gaps in laws that again conferred discretion or power on officials implementing them and judges asked to apply them in disputes.

Contradictions among laws of different levels of government were rampant during the Yeltsin period because of the combination of German style federalism, where many government functions were shared between the federal government and the governments of the subjects of the Federation, and the difficulty of passing federal laws on some subjects. For example, in the late 1990s the failure of the federal government to pass a law on land ownership led to a vacuum that was filled by the laws of regions and republics (with the approval of the Constitutional Court), some of which took radically different approaches. When in 2002 the federal government finally adopted a law on land (albeit with ambiguities), some regional laws automatically conflicted with federal law (Remington 2002). An analogous situation emerged with attempts to realise in legislation the constitutional right to alternative service as a substitute for service in the army. When the centre failed to organise the alternative, some regional governments stepped into the breach, only to find their initiatives trumped by a new federal law.

Not long after becoming president, Vladimir Putin initiated a campaign to harmonise laws among different levels of government and empowered procurators and judges to advance this goal. Less well known was the work of a government commission headed by Dmitry Kozak to develop legal procedures for the allocation of mandates and corresponding budgets among levels of government in areas of joint jurisdiction. The procedures that resulted replaced for the most part the earlier pattern of negotiating arrangements for each region for incorporation in bilateral treaties and accompanying agreements (J. Kahn 2002; Trochev and Solomon 2005).

Another characteristic of laws in the Russian Federation was their instability, or tendency to be changed frequently. While this might make sense with new laws on new subjects, where learning from experience was appropriate (one example is the arbitrazh procedure code, three versions of which were approved within a dozen years), there was no good reason for constant change on more traditional matters, such as criminal law and procedure. Frequent changes in criminal law included vacillations on such crucial matters as the criteria (amounts or values) for common crimes such as possession of drugs or theft, not to speak of frequent shifts on the crimes that businesses might commit (Solomon 2010). Likewise, the achievement of a new Criminal Procedure Code in 2001 designed to make at least the trial conform to adversarial standards was within a few years watered down, as the expressed needs of law enforcement personnel took precedence over the goals of the reformers (Burnham and Kahn 2008; Solomon 2005). Along with this Code went the expansion of the revived trial by jury in 2002 from an option for serious charges in nine regions to one available in most of the Russian Federation. However, the interests of law enforcement soon limited the impact of jury trials, first through easy appeals to higher courts that often rejected acquittals, and secondly through narrowing of the jurisdiction of trial by jury (including elimination of cases of terrorism) (O’Malley 2006; Solomon 2009).

Courts and judicial reform

Whereas the USSR had one hierarchy of courts (which in post Soviet Russia became the “courts of general jurisdiction”), the Russian Federation added two more types of courts: constitutional courts and arbitrazh courts. The Constitutional Court of the Russian Federation (there were also about a dozen regional constitutional and charter courts), founded in 1991, had an exclusive right to rule on the constitutionality of laws issued by the federal government and its subject governments. The arbitrazh courts represented a whole new hierarchy of courts responsible for disputes among business firms and between these firms and the government. We start by examining these
new courts and then consider the development of courts of general jurisdiction and the contours of judicial reform overall.

The establishment of constitutional courts (an institution favoured within civil law countries where regular judges are not usually trusted with political power) became in the post-communist world a mark of commitment to developing democracy, but often new leaders tolerated constitutional courts only as long as their decisions served regime interests. In its first version (1991–93), the Russian Constitutional Court managed to make good decisions on major issues (e.g. the legality of the Communist Party and its claims to own property). However, in October 1993 the Court’s chief Valery Zorkin chose to defend the existing constitutional order as represented by the Supreme Soviet rather than the extra legal actions of President Boris Yeltsin aimed at saving his power and reform programme. As a result, the work of the Court was suspended for 16 months, while advisors convinced Yeltsin not to get rid of the Constitutional Court (as the leaders of Belarus and Kazakhstan would do) and a group of judges revised the Court’s law, inter alia to eliminate its right to proactively interfere in public life as opposed to waiting for a complaint to be brought to it.

The saving of the Court was followed by 15 years of productive work that included major contributions to the separation of powers, the federal system, and the meaning and enforcement of rights. To be sure, the Court rarely opposed the interests of the President on matters of priority to him (e.g. the legality of the first Chechen War or the constitutionality of the decision to end popular elections of governors and republican presidents). On most matters, the Court had a free hand, and used its discretion wisely and in the public interest, often in a creative way. Retaining a jurisdiction that included direct constitutional complaints by citizens (analogous to that of the German Constitutional Court), the Russian Constitutional Court was presented with many issues of rights, ranging from social and economic rights to due process rights obviously enshrined in the Constitution to rights that the Court had to discover. The Court dealt with thousands of complaints, screening out most of them and discussing and deciding each year a few hundred in conference, often issuing a determination; only twenty cases a year received a fully fledged public hearing and resulted in an edict. The Court applied general principles found in the preface to the Constitution and regularly used the kind of proportionality analysis favoured in European courts, such as the German Constitutional Court. Especially after Russia joined the European Convention on Human Rights, the Constitutional Court of the RF regularly cited the Convention and decisions of the European Court of Human Rights and relied on reasoning from its decisions even when it did not cite them (Trochev 2008).

While Vladimir Putin and Dmitry Medvedev accepted the Constitutional Court, they still took actions to ensure that it stayed in its place. First, Putin made the unpopular decision to move the Constitutional Court from Moscow to St Petersburg, an act that critics (myself included) feared would marginalise it (in fact, there has been an increase in petitions to the Court since it moved) (Solomon 2007a). Second, President Medvedev initiated a change in the selection of the Court’s chair, so that he or she would no longer be elected by fellow judges in secret ballot but be nominated by the President for approval by the Federation Council, the procedure already used for the heads of the Supreme Court and High Arbitrazh Court (Solomon 2009).

The biggest problem for the new Court lay in ensuring that its decisions were implemented. For one thing, judges on the other two kinds of courts did not always treat the decisions of the Constitutional Court as binding, particularly when they invalidated part of a law. Following the positivist tradition but in blatant violation of the Russian Constitution, judges often continued to apply invalid parts of Codes until the legislature had changed them. Equally threatening to the authority of the Constitutional Court was the practice by government officials, including governors and presidents of republics, of ignoring the Court’s decisions. Sometimes, other branches
would help with implementation, as when President Yeltsin pressured the President of the Udmurt republic to restore mayoral elections that he had stopped unconstitutionally. Other acts of defiance by regional leaders went unopposed, as in the series of Constitutional Court decisions banning the unconstitutional use of registration requirements (propiska) as a means of excluding would be migrants. Judges on the Constitutional Court recognised that lack of implementation could hurt the Court’s legitimacy, and early on established a unit within the Court’s staff to track implementation of its decisions (Trochev 2008).

The arbitrazh courts were founded in 1991 on the basis of the existing system of state and agency arbitrazh, a hierarchy of tribunals within the executive branch founded in 1930 to handle disputes among state owned entities. When in 1989–1991 the main economic actors became private firms, it was necessary to convert the former tribunals into what amounted to commercial courts and their arbiters into judges. The arbitrazh courts had a hierarchy of four levels, with the basic trial court existing at the regional level. The arbitrazh courts operated according to a mixture of inquisitorial, adversarial, and informal procedures, but as a rule cases had to be presented in written form and trial judges dominated proceedings. A major share of the disputes involved alleged violations of contracts, including the failure of firms to pay their debts. There were also cases relating to bankruptcy, corporate governance, hostile takeovers, and tax disputes. The arbitrazh courts also became swamped with what their judges called administrative disputes, many just to approve fines imposed on a firm by the tax authorities, others constituting challenges by firms to the imposition of administrative fines for failure to observe rules of registration or to make required contributions to pension and labour funds (Hendley 1998, 2003).

As with the Constitutional Court, the biggest shortcoming of the arbitrazh courts was the weak implementation of their decisions. Official data (based on the work of the bailiffs) reported implementation rates over the past 15 years ranging from 40 to 60 per cent. These data did not include the situations where debtors agreed to pay without any use of the state service for debt collection (the bailiffs), not did it tell anything about the use of private debt collection agencies. (P. Kahn 2002). In the first part of the 1990s, these bodies were tied to organised crime and often provided protection to firms as well, but by the turn of the century changes in laws supported the creation of legal firms that included former police officers (especially from the FSB) who had access to information about debtor firms that could be used to blackmail them into paying their debt (Volkov 2002). There is also evidence that the official bailiff offices cooperate with the private debt collection firms and that most of the latter now include at least one former bailiff (Favarel Garrigues 2010). Needless to say, not all firms will bother to go to court on a debt collection mission, but large firms with in house legal staff often seek the approval of a court before engaging debt collection agents (Hendley 1999).

The new political and economic orders also affected the courts of general jurisdiction, or the regular court system in Russia, which faced a huge increase in the volume of cases its judges had to handle. These involved above all civil cases (disputes among persons, persons and the state, persons, and firms), and in many areas of law ranging from family to property disputes, and the greatly expanded area of administrative justice (not to be confused with administrative violations, for which people can receive fines but not a criminal record).

Starting in 1993, persons in the Russian Federation have been able to complain in court about the allegedly illegal actions of any public official on virtually any matter, including decisions taken in the name of a collective body and including the issuing of normative acts (regulations). The courts have responded well, and complainants win challenges to official actions well over half of the time (and challenges to regulations a quarter of the time). As of 2002 a person had a better chance of getting an official to change a decision by going to court than complaining to the procuracy, the favoured approach from the Soviet era (Solomon 2004a). For years Supreme
Court chair Vyacheslav Lebedev sought approval of separate administrative courts (as have been established in Ukraine), but opposition from Anton Ivanov, chair of the High Arbitrazh Court, has proven decisive (Solomon 2008).

From the mid 1990s, one of the main concerns of the heads of the Supreme Court of the Russian Federation, the top of the hierarchy of courts of general jurisdiction, was acquiring more funds and expanding the human capacity of the courts. The fight for money to help the inadequately financed courts and relieve their growing dependence on semi legal contributions from regional and local governments took many forms. One was a battle to get administrative support of the courts into the hands of an agency devoted only to their benefit and not also to other concerns. The result was the establishment of the Judicial Department subordinate to the Chair of the Supreme Court with no connection to the Ministry of Justice. Another milestone in the struggle for funds came a year later when the Constitutional Court declared unconstitutional the practice of cutting or delaying funds for the courts through what were called “sequesters” (Solomon and Foglesong 2000, 16–18). But new money started flowing into the courts only in the new millennium as the economy of Russia recovered, and oil and gas revenues gave the state some cushion. It was in that context that the courts received significant new funds that supported the expansion of staff, including the provision of clerks to assist judges, and the creation of a whole new layer of courts below the previous bottom rung of district courts, namely the Justices of the Peace (JPs). JPs, an earlier version of which had existed in the late Tsarist period, assumed responsibility for a huge part of the caseload of the district courts, in practice 40 per cent of criminal cases, 70 per cent of civil, and nearly all of the administrative violations, including those that were traffic related. The JPs, each of whom is responsible for a territory of 15,000–30,000 inhabitants, are paid by the federal government and implement its laws; but they are chosen for five year terms by regional governments, which also provide administrative support. The JPs were meant to be accessible figures, close to the people, and they have fulfilled their mandate to use mediation to resolve disputes. By 2009, more than 20 per cent of criminal cases heard by JPs ended in a mediated result, often involving restitution. Along with administrative justice, the JPs represented one of the great achievements of post Soviet judicial reform (Solomon 2003; Sudebnyi Departament 2009).

In the early Yeltsin years, judicial reform focused especially upon the status of judges and ways of enhancing their independence. Under the Soviets, judges faced multiple lines of dependency – on the political bosses in the regions who could engineer their dismissal; on officials of the Ministry of Justice; and especially upon their superiors within the judiciary, the chairs of their courts and judges on higher courts, all of whom could influence the reappointments of judges that came every five years. As of 1993, judges received life appointments (until 2010 only after a three year probationary term), and were subject to firing only after a group of their peers (on a qualification commission) determined in a hearing that they were guilty of a serious disciplinary breach (Solomon and Foglesong 2000).

By 2001, some observers, including the Minister of Economic Development and Trade German Gref, believed that judges were too independent and required more reliable forms of accountability, a view that led to the inclusion of non judges on the qualification commissions, the watering down of judges’ immunity from criminal prosecution, and the requirement that judges and their families report income and assets. These measures did not harm judicial independence, but the way that the chairs of courts were able to use the disciplinary process did. De facto, chairs of courts had considerable leverage over the qualification commissions (even though they were not members) and they were able to launch and win disciplinary proceedings on a pretext against any judge who displeased them, whether by failing to take their advice on a case or giving too many acquittals (Solomon 2004, 2007).
Judges remained dependent upon the goodwill of the chairs of their courts for discretionary benefits, including help in arranging access to apartments or day care and good references in case of possible promotion. Along with this, the system of evaluation of judges gave pride of place to quantitative indicators of performance, including rates of reversal of verdicts and sentences. Judges hearing civil cases often worked in courts where they had previously been court secretaries, where judges in criminal cases consisted mainly of former investigators and prosecutors. The latter accepted the tradition of deferring to the interests of law enforcement by giving very few acquittals, although stopping cases for lack of a case or crime emerged as a common substitute (Paneakh et al. 2010).

The quality of justice and success of judicial reform in Russia depended as well on the nature of the defence bar (advokatura), prosecution (prokuratura), and investigation, and policing overall. While the system of organising the work of advocates became the object of serious reform in the new millennium, policing, investigation, and prosecution have yet to undergo the reforms needed to support fair and impartial administration of justice (Jordan 2005; Smith 2007; Solomon 2005).

The pursuit of rights

While Soviet era constitutions always included an impressive list of rights, the 1993 Constitution was the first one designed to serve as basic law and the first Russian constitution where the meaning of rights could be shaped by the decisions of a court. In 1996, and again in 1998, the parliament ratified the European Convention on Human Rights, which involved not only a commitment to rights protection but also made Russia subject to complaints about rights abuse to the European Court of Human Rights (Nussberger 2008). At the same time, the commitment to political rights (speech, assembly) in the Constitution itself meant that groups advocating human rights observance would have some space for operation, even if it would be subject to restrictions over time.

Over the years, the Constitutional Court has developed the meaning of many rights, paying particular heed to legislation that seemed to limit them. To be sure, the Court used proportionality analysis and did not treat any rights as absolute. At the same time, it did an admirable job in protecting social rights of vulnerable groups, in giving meaning to economic rights (e.g. the right to property), in supporting the rights of suspects and accused (due process rights), and in countering restrictions on freedom of religion (Trochev 2008). Some of the Court’s decisions on rights had major consequences. Take the matter of capital punishment. In 1999 the Constitutional Court ruled that Russia must suspend use of the death penalty until such time as the option of a jury trial was available in every part of the Federation, and not only in some regions. The Constitution itself stated in Article 20 that as long as capital punishment exists, accused persons subject to it shall have the right to trial by jury, and to allow the death penalty only in the regions where trial by jury existed would violate the principle of equality or equal protection of the law, one of the principles found in the preamble to the Constitution. Ten years later in 2009, when trial by jury was extended to Chechnya and became available in the whole of the Russian Federation, the Constitutional Court declared that in signing the European Convention on Human Rights, Russia had given up the option on capital punishment, even without its legislature actually approving Protocol 6, which it failed to do from 1996 to 2010.

From the time that Russia signed the Convention, the Constitutional Court made regular references to it, using its provisions wherever possible to reinforce positions based in the first instance on the Constitution (Trochev 2008). Even more important for the quality of life in Russia and the policies of its governments, Russians began bringing so many complaints to the
European Court of Human Rights that Russia became one of the largest producers of cases at that court and a factor in its huge backlogs. Moreover, the Court regularly ruled against Russia in high profile cases (e.g. Gusinsky) and on routine matters (such as delays in setting trials and failure to implement court decisions). From 1998 the Russian government set up a fund to pay the awards required by the Court in Strasbourg, but rarely did the relevant agencies within Russia take steps to repair the underlying problems. It is one thing to compensate a person for pre-trial detention in appalling conditions, another matter to improve conditions in detention facilities. As a result, the flow of cases to Strasbourg continued, reaching into the thousands, many of which involved support provided by human rights NGOs that specialised in preparing cases for Strasbourg (such as Sutyazhnik in Yekaterinburg). Complaints of violations at the hands of Russian troops flowed in from Chechnya; and a number of petitions from the criminal trial of Mikhail Khodorkovsky and the related civil case of tax obligations of the firm Yukos (Trochev 2009).

All of this proved embarrassing to Russian politicians. Already in 2002, they prevailed on the heads of the Supreme and High Arbitrazh Courts to issue a resolution encouraging judges in their two court systems to follow the jurisprudence coming out of Strasbourg and to give it appropriate weight in their own decisions. The same resolution was supported by funds to translate the European Court of Human Rights decisions into Russian and distribute them (Solomon 2008). For a long time, Russia also resisted adopting Protocol 14, which was meant to streamline the processing of cases at the European Court of Human Rights and would have led to more decisions against Russia (the approval came in late 2009). Finally, in spring 2010, after two years of argument over the details, the leaders adopted a new law entrusting Russian courts with the responsibility of handling complaints about delays in trials and failures to implement decisions (the two most common complaints to the European Court of Human Rights) and making monetary awards on the level of those given at Strasbourg. The new law entrusted this task to the next higher court in each of the two court hierarchies (general jurisdiction and arbitrazh) (Federalnyi zakon 2010).

So far judges on Russian courts other than the Constitutional Court have not made sufficient use of either the Convention or decisions of the European Court, according to a careful study by Anton Burkov. While many of them are now aware of both, the judges are loath to anchor their decisions in foreign sources, despite the priority international law is given in the Constitution of Russia. Those judges who do cite the Convention and European Court usually do so only after lawyers in particular cases call attention to their relevance (Burkov 2007, 2010).

The whole enterprise of human rights represents the transformation of issues that were once considered matters of domestic politics into transnational matters with global significance that serve as the basis for legitimate external intervention. The situation with rights plays a major part in the annual country reports of the US State Department and is reviewed by the EU as well. Some of the largest of the rights NGOs in Russia represent branches of international organisations (Human Rights Watch, Amnesty International, Moscow Helsinki Group) and others, while particular to Russia, have major funding from abroad (Memorial, Za Prava Cheloveka, and groups defending women). As of 2007 there were hundreds of registered human rights NGOs in the country (5 per cent of all NGOs), some broad based and national, others focusing on single issues or local. Some organisations work with concrete violations, other analyse the rights situation and try to influence legislation. As a rule, the groups do not engage or involve many Russian citizens, even though a majority of them recognise that rights are routinely violated (Klitsounova 2008).

The approach of the Russian government to these organisations has two prongs. On the one hand, there is strong resentment of these bodies as international implants that seek to criticise and undermine Russia, and this view led to in 2005–06 to tough new rules of registration and financial
accounting, which authorities applied selectively against the NGOs that they disliked. At the same time, officials in many government agencies welcomed the help that NGOs could give them in dealing with difficult problems, especially in the health and social realms (Klitsounova 2008). The appearance of quasi official bodies, like the Public Chamber of the RF and the Council for Fostering the Development of Civil Society, each with responsibilities in the rights area, represented openings for interested groups and persons. There also have been areas of law where rights organisations have had an impact, such as the criminalisation of human trafficking (Johnson 2009).

There remained many rights issues of some urgency, ranging from appalling conditions in prisons and the mistreatment of suspects and accused by investigators bent on extracting confessions to the abuse of soldiers in the army and lack of access to health care. The combination of litigation at home and abroad and the activities of NGOs kept such rights issues in the air and had potential for both educating the public and influencing the political or policy agenda. Equally important, the emphasis on rights gives support to the idea of law (jus, pravo) as more than the legal enactments of the state (leges, zakony) and including concepts grounded in natural law, historical experience, or international agreements.

Informal practices and legal culture

Just as formal law and institutions in the Soviet era were complemented and sometimes contradicted by informal practices, so in post Soviet times informal practices play a crucial role in politics, business, and life overall (Ledeneva 2006; see also Chapter 31 by Alena Ledeneva). We have already seen that the execution of court decisions often involves private firms that obtain cooperation through the use of information compromising to the debtor (kompromat). But there are other informal practices relating to courts and law enforcement in Russia, which matter not only in themselves but also to the public attitudes toward the courts and law.

One of these is the complex of transactions and relationships summarised in the phrase telephone law (“telefonnoe pravo”). In most Russian courts (the Constitutional Court is one exception) it remains common for powerful people (political leaders, high placed officials, major business executives) to try to influence decisions of judges, and they sometimes succeed. Usually the chair of the court represents a key link, and is ready to do favours for the courts’ patrons and their friends, and the chair normally can inform the judge in question, if not also direct the case to a reliable judge (Ledeneva 2008; Solomon 2007).

Equally threatening to the integrity of judges and the law is the practice of zakaznye dela, the opening of criminal cases “on order”, that is, at the request of a person or organisation that either has leverage over the investigators or provides monetary incentives. A significant proportion of cases started against business firms have their origins in “orders”, and a large share of these prosecutions are stopped before they ever get to court after “discussions” between the investigators and the accused (Volkov et al. 2010). In like manner bankruptcy proceedings and hostile takeovers of companies (or raids) may involve conveniently issued court orders that follow pressure on judges to cooperate (Volkov 2004; Firestone 2008). There are also unusual cases where it appears, even to judges, that the leadership of the country has ordered a case and expects a particular outcome. In the Yukos suit and the Khodorkovsky criminal cases, such a dynamic was clearly at play (Sakwa 2009).

Sometimes, parties in cases pay judges to achieve a desired result, although there are limits to what the judge can deliver without attracting suspicion. The result must always appear legal and have the possibility of standing up on appeal. There seem to be parts of the country and particular courts where parties to civil or commercial disputes are expected to pay service fees to get their
cases heard promptly and fairly. It is difficult to estimate the extent of corruption in Russia’s courts, because the exchange of money and favours is always *sub rosa*. While public opinion assumes that most judges are corrupt, studies by informed observers suggest that the overwhelming majority of cases are handled by judges without payments or outside pressure (Eniutina 2002).

Whatever the actual prevalence of court decisions influenced by money or influence, the presence of even a few such cases, especially prominent ones like the Khodorkovsky case, ensures the continuation of deep public cynicism about law. According to Marina Kurkchiyan, the public in Russia and other post Soviet countries does not believe in the primacy or effectiveness of law but assumes that personal networks are more reliable. In so doing, they reproduce negative myths about law and contribute to its continuing illegitimacy (Kurkchiyan 2003). No doubt such ingrained attitudes about law help account for the results of surveys that place the share of the public that trusts the courts in the 20–30 per cent range (higher than in Spain or Portugal, but way below Germany or Scandinavia) (Toharia 2003). At the same time, though, increasing numbers of Russians took their disputes to court, and those that did so usually gave the courts higher ratings than those with no personal experience.

The leadership of the Russian Federation came to recognise that public attitudes toward courts were problematic, and as a result made their improvement a central goal of the Federal Targeted Programme on the Courts for 2007–11. Among the measures undertaken under this programme were the creation of the position of press secretary (media officer) at all regional courts and regional branches of the Judicial Department (the higher courts already had media groups); the creation of websites at all courts; and provision for publishing on those sites or linked databases the bulk of decisions of the courts, something never considered let alone attempted earlier in Russian history (Solomon 2008). The impact of the new policies of transparency about the work of the courts, the attempt to make courts user friendly, and the efforts to make media coverage of their work less negative remain to be seen.

The achievement of high quality administration of justice will also require changes in the mindsets of judges, who tend to be mired in a narrow positivist, formalist approach to legal interpretation and rarely indulge in creative decision making (Kashanin 2010). The lack of appropriate special education for judges along the lines of European schools for judges and the failure to recruit sufficient judges in mid career (to temper the judicial bureaucracy) number among the causes of this syndrome.

**Conclusion**

In the two decades since the end of the USSR, Russia has taken many steps to improve its law and its courts, including the introduction of both constitutional and administrative justice, but it has achieved neither a state where law is the governing principle nor a society where formal institutions, law included, prevail over informal ones (Solomon 2008). The explanation may lie in part in the absence of demand for law among elites, including officials of the state (Hendley 1999). However, comparative analysis of the experience of post communist countries that are both democratic and members of the European Union suggests that the transition to a modern legal order takes more than a generation, even with favourable conditions that do not exist in the Russian Federation (Seibert Fohr 2010).

**Note**

1 In the late Soviet period the Supreme Courts of the USSR and RSFSR published about fifty decisions a year as “exemplary” out of the many thousands that their panels rendered.
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In his final press conference as President of Russia in February 2008, Vladimir Putin acknowledged that corruption had been “the most wearying and difficult to resolve” of all the problems he had had to deal with during his presidency (Putin 2008). Then in May 2008, Russia’s new president, Dmitry Medvedev, signed a decree entitled “On Measures to Counteract Corruption” – a move seen by some as Medvedev’s first major act as president. Medvedev had already been making his concern about corruption clear to the public for several months. In his first major presidential campaign speech, he emphasised the need to clamp down on corruption as part of a larger project to enhance the rule of law in his country – “Russia is a country of legal nihilism. … Not a single European country can ‘boast’ of such a level of disdain for the law” (Rossiiskaya Gazeta – Nedelya, 24 January 2008) – and argued that this legal nihilism was impeding Russia’s modern development. Although the term was not coined by Medvedev – legal specialists such as Professor Boris Topornin had explained poor respect for the law in post communist Russia in these terms in the 1990s, and it was certainly in use in the 1980s – it has since 2008 become very much associated with him.

While corruption has been a serious issue in post communist Russia, crime generally has also constituted a major problem for the post Soviet authorities. This chapter examines both corruption and crime in Russia from several perspectives. The first brief section provides the definitions used. Following this is an attempt to assess the scale and scope of both phenomena: while it is impossible to be confident about the data available on either, multi angulation (i.e. the use of several different methods) is currently the most reliable way of assessing these. The third section considers various likely causes of both crime and corruption, while the fourth outlines some of the main methods being used to combat them. The chapter concludes on a cautiously optimistic note.

Definitional issues

Unfortunately, there is no universally agreed definition of corruption, and several pages could be devoted to the arguments used to justify this or that definition. But still the most common definition is “private abuse of public office”; although this definition is not without problems, it will suffice here. For our purposes, crime refers to activities that are illegal and subject to punitive measures by the state. Organised crime is another contested term, but is defined here, in line with the official UN approach, as illegal activities carried out by a group of at least three people, on an ongoing basis, for the purposes of material gain, and typically involving actual or threatened violence.
Scale and scope of corruption and crime

Corruption

Serious analysts of corruption agree that it is impossible to measure its scale with any high degree of accuracy. There are many reasons for this. Some forms of corruption (e.g. embezzlement) have no obvious victim other than the abstractions of “the state” and “society”, and hence no one to report them. Another reason is that many citizens who might otherwise report “meat eating” officials (i.e. those who explicitly demand bribes, as distinct from those “grass eaters” who will merely accept a bribe if offered one) are themselves complicit, so that they fear the possible legal repercussions, or else have decided that they fare better under a corrupt system than they would otherwise. This means that official statistics on corruption in most countries only ever reveal the tip of the iceberg. In view of these and other problems, most analysts use one or more of four principal methods for measuring corruption – official statistics (as a starting point only); perception indices; experiential indices; and tracking methods. Each of these can be briefly examined.

Most official statistics on corruption – where they exist at all (and they do not in many countries) – are legal ones, and usually report some or all of the following:

- the number of cases registered;
- the number investigated;
- the number of prosecutions;
- the number of convictions;
- the sentences meted out.

Publicly available Russian legal statistics on corruption are patchy; they are not included in the criminal statistics in the annual statistical handbook, but are sometimes published in incomplete form in the media. They are also often inconsistent. Thus Russian Minister of Internal Affairs, Rashid Nurgaliev, claimed in a 2008 interview that the number of officials in Russia facing charges for corruption had declined by more than a quarter in the first six months of 2008 to 1,225 (Falaleev 2008). It is unclear whether this reflects a real decline in the scale of corruption, or simply reduced success in detecting it; since, according to President Medvedev, approximately 15,000 corruption related crimes were uncovered in 2009 (ITAR TASS 18 February 2010), it is far from clear that there has been any improvement in Russia’s corruption profile. Moreover, in a way that helps to explain why corruption remains such a problem in Russia, Minister Nurgaliev then provided information on the types of punishment that convicted bribe takers can expect:

According to court statistics, across the country as a whole, only one bribe taker in ten is given a prison sentence. The rest receive more lenient punishments, which obviously does not help to eradicate corruption but, on the contrary, generates an illusion of impunity.

(Falaleev 2008)

Clearly, Russian courts will have to impose harsher sentences if the state is to appear genuinely committed to reducing corruption.

In addition to legal statistics, estimates of the pecuniary scale of corruption are sometimes published in the Russian press (also see Chapter 31 by Alena Ledeneva). For example, an advisor to the Minister of Internal Affairs, Anatoly Kulikov, citing INDEM assessments, announced in 2008 that the income of corrupt officials through bribes equated to more than one third of the value of the Russian budget (RIA Novosti 2008); since much of this is then laundered and sent overseas, the negative impact on the Russian economy is clear. While the accuracy of such assessments can
be questioned, perceptions are a form of reality, and people often make decisions – e.g. regarding investment – in part based on them. Hence, even if this figure is an exaggeration, the fact that it was delivered by such a high ranking official and published renders it significant.

Unfortunately, the incomplete and inconsistent nature of official data on corruption are only two of several problems connected with the measurement of corruption levels. Since only a small minority of cases are ever reported to the authorities, analysts have devised alternative methods for measuring its scale. Of these, the most common is the use of perception indices.

Perception indices are designed to capture popular, specialist, and elite beliefs about the scale and nature of corruption in a given country. The best known global index is Transparency International’s Corruption Perceptions Index (TI CPI), which has been published annually since 1995. It is based primarily on the perceptions of businesspeople, and is scaled from 0 to 10 – the higher the score, the lower the perceived level of corruption. Russia was first assessed in 1996; Table 17.1 shows how it has fared since then.

Table 17.1 suggests that corruption became more of a problem in the later Yeltsin years, but that there was an improvement in Putin’s first term. The situation then deteriorated again in his second term, so that it was in 2008 back where it was when Putin came to power. It will be interesting to track Russia’s score over the next four years – though it appears that Medvedev’s anti corruption measures had not really begun to bite in his first year in office. Despite these longitudinal changes, one point that is clear from the above is that corruption has been a constant problem in Russia in recent years; all that changes is whether it is a serious problem or a very serious problem!

A perceptions survey (1,500 respondents) was conducted across Russia by the Public Opinion Foundation in early August 2008, just days after Medvedev had signed off on the new national anti corruption plan. It revealed that 57 per cent of respondents believed that corruption could not be controlled (though it should be noted that 53 per cent of respondents were unaware of the plan, and may have responded differently if they had been); interestingly, this figure is very close to the 61 per cent who gave a similar response to the same question in March 1999 – so that the level of optimism about the state’s capacity to combat corruption was no better at the end of the Putin presidency than it had been towards the end of the Yeltsin era. On a more positive note, only 45 per cent of the August 2008 respondents believed that corruption among officials had been increasing over the preceding couple of years, compared with 70 per cent in March 1999 and 60 per cent in December 2005 (Dmitrieva 2008).

Critics of perception indices maintain that perceptions may be seriously at odds with reality. In the case of corruption, this argument has only limited validity: as already noted, perceptions are a form of reality. Moreover, nobody can measure the “real” situation anyway (see below), so that critics’ counter claims are themselves based on speculation. Nevertheless, and in part in response to criticisms of perceptions based surveys, agencies such as the World Bank and various Western governments have been willing to fund experiential research projects – i.e. projects designed to discover rates of actual experience of corruption. While this method has not been used to measure corruption in Russia as much as in certain other post communist states, some results are available.

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Probably the most respected and valuable series of surveys of citizens’ experience of crime are the International Crime Victim Surveys (ICVS), which have been run since 1989. The first did not include Russia, while the second – conducted in 1992–94 – surveyed only Muscovites. Among the latter, almost 12 per cent claimed they had been asked to pay a bribe in the year preceding the survey; this compared with just 0.6 per cent of respondents in the Slovene capital of Ljubljana, for instance (Siemaszko 1993, 92). The third ICVS was conducted in 1996–97, and discovered that almost 19 per cent of Russian respondents had been either directly asked for or expected to pay a bribe to a public official in the previous year. While this figure was lower than for some other CIS countries, such as Georgia and Kyrgyzstan, it was much higher than in post communist states such as Estonia or Slovenia (Zvekic 1998a, 47–49). The fourth ICVS was conducted in 2000–01, just as Putin was starting his first term as president, and focused on capital cities rather than entire countries. In this survey, Muscovites were questioned on whether or not they had been asked or expected to pay a bribe to a state official in 2001: 17 per cent of respondents had. While this was nowhere near as high as in Albania (where 59 per cent of respondents answered in the affirmative) and was lower than in Vilnius (23 per cent), it was higher than in post communist capitals such as Prague (6 per cent) and Ljubljana (2 per cent), almost 50 per cent higher than the early 1990s figure for Muscovites, and much higher than the average for West European capitals (0.2 per cent; data from Alvazzi del Frate and van Kesteren 2004, 25). Unfortunately, the 2004–05 ICVS did not include Russia.

A more recent and very large scale experiential survey of some 34,000 respondents, initiated by President Medvedev himself and conducted by the Public Opinion Foundation from July 2008, found that 29 per cent of Russians had paid a bribe (the period is not specified in the publicly available reports) – a figure that climbed to 42 per cent in Moscow and a staggering 56 per cent among entrepreneurs (Chernega 2008). These figures compare with just 30 per cent of Muscovites – though 33 per cent of all Russians – in the last year of the Yeltsin presidency, according to a June 1999 survey by the same Foundation (Petrova 1999). Thus the situation across Russia had improved marginally between 1999 and 2008, but had deteriorated significantly in the capital.

As already noted, nobody can accurately assess the real scale of corruption in any country. It might appear that experiential surveys do provide this information, but this is not the case. Ordinary citizens surveyed about their experiences of corruption only report – if at all – their own experiences, which are primarily related to lower ranking officials. Thus the survey findings only tell us something about what is usually called petty, administrative, or low level corruption, not about grand, political, or high level corruption. Since it is the latter that in many cases exerts a more serious negative influence on economies and societies, our current inability to measure this is an unfortunate lacuna. Elite surveys might provide information about grand corruption in the future; but for now, there are very few.

The fourth approach for assessing the scale of corruption is the use of tracking methods, notably Public Expenditure Tracking Surveys (PETS) and Quantitative Service Delivery Surveys (QSDS) (see Reinikka and Svensson 2003). But these can only provide evidence on particular branches or sectors, not entire polities or economies. And since none have been reported yet in Russia, they are not considered here.

Although none of the methods used for measuring the scale of corruption in any country is without problems, most specialists nowadays agree that multi angulation is likely to yield the most reliable results. This method involves using as many of the four types (as well as sub types, such as comparing elite, business, and mass perceptual and experiential survey results) as possible, and comparing the results; if all point in more or less the same direction, then we can be reasonably confident about our overall assessment. Using such an approach demonstrates that Russia is a
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highly corrupt society, and that the situation has not been improving in recent years. While there was certainly plenty of corruption during the communist era (Clark 1993; Holmes 1993), it is widely accepted that the situation has deteriorated in the post-communist era.

Crime

As with corruption, so official statistics on the overall crime situation in any country have to be treated with caution. There are many reasons for this. For example, different countries define crimes in different ways. Another is that police officers sometimes have a vested interest in either under reporting crime (to reduce the difference between the number of reported and solved crimes, making the police appear more efficient than they are) or over reporting it (to support demands for more resources). Others include the fact that citizens do not report crimes because they have little faith in the police, considering them corrupt, incompetent, or simply not interested (Zvekic 1998b, esp. 213–21) – and even because they have no insurance, and so consider it pointless to report minor theft. Hence, official statistics can be misleading, especially when comparing two or more countries. On the other hand, unless there is good reason to assume there has been a sudden and substantial change in the crime reporting culture, most analysts accept that official statistics are an acceptable starting point for analysing trend lines – whether crime appears to be increasing, decreasing, or steady state – within a given country. Based on this assumption, Table 17.2 suggests some interesting – if disturbing – trends.

It appears from Table 17.2 that the crime rate in Russia was already rising sharply in the last years of the USSR, but that it then increased even more rapidly, so that the rate by 2000 was more than double that in 1985. However, it also seems that the rate hovered around the two thousand mark from the mid-1990s until the mid-2000s – and then suddenly exploded. If the data are to be believed, the rate in 2006 was not far short of three times what it had been some twenty years earlier. It would be reassuring to think that this apparent increase was in fact due to the police being more honest in their reporting, or the public having greater faith in the police and thus reporting more crimes. Unfortunately, survey data indicate that a substantial majority of Russian citizens still had relatively little trust in the police as of 2005 (Shlapentokh 2006, 157, 160–1). While it is encouraging that the crime rate then declined during Medvedev’s first 18 months in office, it was still too early by mid-2010 to know whether or not this would prove to be a long-term trend.

While space limitations preclude much further consideration of the crime statistics, it is worth noting that official figures indicate a substantial rise in the number of murders and attempted murders (i.e. the amount of most violent crime) in the post-communist era. Thus the figure more than doubled between 1990 and 1995, from 15,566 to 31,703, and then peaked at 33,583 in 2001. The figure has been steadily and substantially declining since then, however, and stood at 17,681 in 2009; according to the official statistics, then, the rate had almost halved in less than a decade.

Table 17.2 Registered crime rates (indicative only) in Russia, selected years 1985–2008 (official rates per 100,000 population)

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<tr>
<td>Crime Rate</td>
<td>987</td>
<td>1243</td>
<td>1857</td>
<td>1748</td>
<td>2014</td>
<td>1739</td>
<td>2012</td>
<td>2706</td>
<td>2261</td>
<td>2110</td>
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The number of murders and attempted murders partly reflects one of the most publicised aspects of Russian criminality since the early 1990s: the rise of organised crime. Organised crime had certainly existed during the Soviet era, notably in the form of the so-called thieves in law (vory v zakone – see Razinkin 1995; Rawlinson 1997). But the thieves in law differed in various ways from the new gangs that emerged in the 1990s, most notably in adhering to a strict code among themselves; most of the new criminal gangs of the 1990s were characterised by a propensity to use extreme violence at the drop of a hat, and to be much less likely than traditional gangs to adhere to an internal code of behaviour. This is one area in which there does appear to have been real improvement; Russian organised crime has in general been less violent in the 2000s than it was in the 1990s.

As noted above, official crime statistics must be handled with care, and may be misleading. Thus it has been observed in the context of Europe generally that “The number of crimes recorded by the police bears hardly any relationship to the ICVS based measure of crime” (Van Dijk et al. 2007, 25). Because of this, an increasing number of criminologists – and even governments, such as the Polish – are turning to crime victimisation surveys in their attempts to form a more reliable picture of the actual crime situation. Unfortunately, such surveys do not appear to have been conducted recently in Russia. But there are scattered data from earlier periods in post communist Russia. The best known are those generated by the aforementioned ICVS. The third ICVS, for instance, revealed that Russians were among the most nervous citizens in Europe about going out at night (Zvekic 1998a), while the fourth indicated that Muscovites were almost three times more likely than West Europeans to feel apprehensive about going out at night because of criminality; this was despite the fact that, if official statistics are to be believed, crime rates overall were not particularly high in Moscow in comparison with either Western or Central and Eastern Europe (CEE) (Alvazzi del Frate and van Kesteren 2004, 5–6, 19). The one area in which there was a marked difference between experience of crime in Western European and CEE (including Russia) capital cities was fraud and corruption; citizens in the transition states were considerably more likely to have experienced these than were their Western counterparts – which provides a convincing argument for analysing Russian crime and corruption together. This said, Russians were much less likely to have experienced corruption (bribery) than were Albanians or Lithuanians – while Georgians, Ukrainians and Belarusians were more likely than Russians to have been victims of consumer fraud (Alvazzi del Frate and van Kesteren 2004, 23, 25).

Causes

Corruption: recent analyses

As already noted, Russian courts tend to hand down lenient sentences for corruption, so that there is little deterrent effect. But, as in other countries, there are many additional reasons for corruption in Russia; they include psychological, cultural, and systemic factors. A comprehensive analysis of all or even most of the factors is beyond the scope of this short chapter (for details see Holmes 2006, 176–210). Moreover, some of the factors apply to crime generally, and so are considered in the following sub section. The focus here is on recent explanations explicitly for corruption from Medvedev himself and other influential Russian commentators.

In February 2008, Medvedev argued that the Russian centuries-old lack of respect for the law is the main cause of corruption in Russia; he related this legal nihilism to Russian historical experience, and hence political culture, which was compounded by the moral and ideological vacuum that emerged after the collapse of both Soviet communism and the USSR itself (ITAR TASS 27 February 2008). His proposed solution for overcoming this nihilism is to enhance
substantially the rule of law in Russia. It is interesting to note here that advocates of neo liberal economics, from the late Milton Friedman to the head of the World Bank, Robert Zoellick, have in recent years argued that the rule of law is the most important factor for the sound development of economies globally – so that there is considerable resonance between the views of these two bastions of neo liberal economics and those of the current Russian president. Other factors cited by Medvedev include the poor quality of laws – which helps to explain why Russians do not respect them – and the fact that many functions are performed by the state that would be better undertaken by the private sector (Medvedev 2008b).

But whereas the current president is hoping that new laws, as part of the move towards the rule of law, will curb corruption in Russia, an article in Izvestiya (Beluza 2008) argued that one of the main reasons for corruption in Russia is that there are too many laws that actually facilitate – even encourage – corruption, often through giving bureaucrats too many discretionary powers. This argument is basically compatible with one advanced by former Russian Prime Minister Viktor Zubkov, according to whom corruption is largely the result of there being too many bureaucratic rules in the Russian system, which make it easier for state officials to demand bribes to circumvent them (ITAR TASS 19 February 2008). Zubkov’s position is in turn compatible with an argument made by the chief of staff of the Russian presidential administration, who identified another cause of corruption. Sergei Naryshkin argued that corruption is largely a result of an overblown and insufficiently regulated public service, so that reducing the size of the state administration would reduce corruption (ITAR TASS 6 October 2008). In line with this, Medvedev has announced that the number of public offices will be substantially reduced in coming years.

Finally, an arguably somewhat sinister position – assuming one believes in reasonably free markets – was revealed by Putin in February 2008. According to the then president, corruption is a function of developing markets, when state bureaucracies and private business oligarchies discover they have common interests, and so collude. Putin argued that this increases the public’s distrust in business (ITAR TASS 19 February 2008). This could be used as an excuse not only to clamp down on corrupt state officials, but also on the private sector, and can be seen as compatible with Putin’s ambiguous attitudes towards private enterprise.5

Crime

Many of the drivers of crime generally are similar to those for corruption, and several are also basically the same as those in other countries and types of system. Since there is an extensive literature already available on these more universal causes, the focus here is on factors relating to post communist transition states generally, and Russia in particular.

One factor highly relevant to the 1990s was the moral vacuum created in the wake of the collapse of both the communist system and the USSR itself. Communism had claimed to offer a personal value system for citizens in the form of the “new socialist person”. As communist power disappeared, so did the ethical system associated with it. While some Russian citizens were able to find a substitute code for themselves in religion, decades of anti religious propaganda, combined with the increasing secularisation of a modernising society, meant that many were unable quickly to create new ethical codes for themselves. Indeed, one of the mechanisms citizens developed during the communist era for coping with shortages – blat (a system of favours and non monetary exchange – see Ledeneva 1998; also Chapter 31 in this volume) – persisted into the new era; this method for circumventing the state and its rules was also conducive to crime.

The collapse of the USSR itself, on top of the collapse of communism, compounded Russians’ feelings of loss, humiliation, and uncertainty – all of which rendered some citizens more prone to criminality than they would have been in a more stable situation. Many Russian men, in

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particular, turned increasingly to alcohol, which lowered inhibitions about breaking the law. One of the most unfortunate ramifications of this was that violence against women increased.

The economic condition of early post communist Russia was almost bound to lead to an increase in many forms of criminality. According to several estimates, there was a 40 per cent decline in Russian GDP between 1990 and 1997. While this figure might be exaggerated, there is no question that the Russian economy shrank dramatically during the 1990s. This had numerous negative ramifications. Although unemployment rates in early post communist Russia were officially much lower than in most other post communist states, they were still high enough to cause concern and increase feelings of insecurity among many Russian citizens, who had not previously experienced long term structural unemployment. The problem was compounded by the fact that new Russia had little in the way of a welfare state, so that citizens felt more exposed to the dangers of unemployment than they would in countries with extensive social welfare protection. The weakness and chaotic state of the economy also meant that even people who were employed were often paid less than they should have been, or paid late – or not even paid at all. In such circumstances, basic survival instincts can drive normally law abiding people to break the rules. Loyalty is a two way street, and if the state and/or employers are not delivering their side of a bargain, some citizens will feel justified in breaking theirs.

One of the reasons for the underdeveloped welfare state in Russia was that many of the functions most Westerners associate with the concept were performed by workplaces during the Soviet era; as the USSR collapsed, many factories, etc. stopped providing welfare. Another was the impact of the economic crisis on the state: low incomes as a result of the declining economy meant that the state had insufficient revenue adequately to fund either welfare services or the police. In short, Russia was a weak state – which is fertile soil for both crime and corruption.

But while most Russians were suffering because of the economic decline and its effects, a few were benefiting. The sheer size of Russia and its considerable resources suggested there would be some who would profit handsomely even in a shrinking economy. Many of the more enterprising Russians – notably the so called oligarchs, but more generally a larger group known as ‘new Russians’ (i.e. the nouveaux riches) – were able to take advantage of the weak state and ambiguous (or non existent) laws in many areas of the economy to amass wealth, often through questionable means. Many Russians considered this unfair, even criminal. It also led many to conclude that the state was either unable or unwilling to protect them against blatant profiteers, so that some Russians essentially adopted the view “If you can’t beat ’em, join ’em.”

One aspect of this point about “joining ’em” deserves special mention. In part symbolising the rejection of communism, and in part as a cost saving measure, the Yeltsin administration retrenched a considerable number of former KGB and other state security officers. Many of these were bitter about their treatment and desperate for income, and so were more open to advances from criminal gangs than they would previously have been. Gangs were attracted to these former officers because of their insider knowledge, experience, and often access to weapons. Thus developed a new nexus between former officers of the state and organised crime.

The economic situation in Russia improved dramatically in the 2000s: Russia is one of the world’s major oil and gas producers and exporters, and as the price of energy soared in the early and mid 2000s, so the Russian economy boomed. The average GDP growth rate during the Putin presidency was 7 per cent. Some of the principal 1990s drivers of crime and corruption in Russia thus became less salient. The gap between rich and poor did not decline under Putin, however; in fact, the Gini coefficient reached 0.41 at the end of 2006, compared with 0.40 in 2000 and 0.29 in 1991, so that many Russians continued to harbour feelings of resentment. Moreover, with the notable exception of the decline of gang violence, the criminal culture that had developed in the 1990s did not markedly change; criminal and corrupt practices that had
blossomed in the first post-communist decade continued, even though the economy and the state had both become much stronger.

**The fight against crime and corruption**

So what anti-corruption and anti-crime policies and legislative proposals has the Medvedev regime adopted to address these problems? In July 2008, President Medvedev announced that he had signed off on a National Anti-Corruption Plan. Among the many concrete proposals under this plan are that people who offer bribes will be liable to have their assets seized and auctioned off, and the property of various categories of state officials, including judges – as well as members of their families – will be subject to much closer scrutiny. Emulating a policy adopted earlier by the EU, public servants will be required to report any suspicious behaviour by colleagues, and could themselves be punished if they do not. Then in early October, Medvedev submitted four draft anti-corruption laws to the Duma, which were passed in December 2008 and became effective in January 2009. These laws provide legal backing for many of the innovations included in the Anti-Corruption Plan. For instance, they introduced a much clearer conception of conflict of interest to Russia. Thus public servants who leave state service are in theory forbidden from taking up a position in the private sector relating to their previous (state) position for at least two years – though an exception clause renders this regulation much less effective than it could and should have been. The new legislation represented the first time that the concept of conflict of interest has been explicitly applied to public servants in Russian law. The legal changes certainly appear to have been necessary; in early 2008, Russian Prosecutor General Yury Chaika reported that some 100,000 government officials had been “implicated in various offences incompatible with public service, including involvement in commercial activities” (Interfax 19 February 2008, in Johnson’s Russia List, #36/2008).

As for the fight against organised crime – the number of those convicted of organising criminal groups has increased under Medvedev, even if numbers remain small. Thus 164 received prison sentences for this offence in 2009, compared with 98 in 2008 and 54 in 2007. In short, the number had increased threefold under the new president.

In terms of fighting crime more generally, President Medvedev has adopted some highly innovative measures. In particular, he has targeted corruption within the police force, in the (probably justified) belief that much of the more serious crime in Russia involves police collusion. This campaign only began in late 2009 – Medvedev signed off on a decree to reform the Ministry of Internal Affairs in December – so that it was too soon as of early 2010 to assess the success of this. The campaign is multi-pronged, and includes increasing transparency through requiring police officers to report their incomes publicly (over 300,000 officers had done so by April 2010); sacking both incompetent and corrupt senior police officers (a process that accelerated in early 2010); introducing a comprehensive new police law to replace a large number of existing and often conflicting regulations; introducing fines for corruption that relate directly to the sums improperly acquired (which will in most cases be far higher than existing pecuniary punishments); and adopting a policy of “better fewer, but better”. Thus, while the police force is to be reduced by some 20 per cent by January 2012, those still in the force and new members are to enjoy much improved conditions; in April 2010, it was announced that average police salaries were to be increased threefold by the end of 2011. This major reform of the police is designed to improve their behaviour and performance, and hence ordinary citizens’ trust in them. This in turn is intended to improve respect for the law, with positive knock-on effects for the rule of law – and hence crime and corruption rates in Russia. Whether or not this reform will be fully implemented and succeed where previous attempts to control the police have failed remains to be seen.
Unfortunately, many Russian citizens are sceptical; a March 2010 survey of 1,600 Russians suggested that only 5 per cent believed Medvedev would be able to reform the police (and military) (VTsIOM 2010).

Conclusions

The available evidence suggests that Russia experienced substantial increases in both corruption and crime generally during the 1990s and through to the mid 2000s, but that the situation has recently begun to stabilise, and possibly to improve – though this appears to be truer of crime generally than of corruption. Whether or not these weak trends will continue and strengthen under President Medvedev remains to be seen, and will partly depend on who wins the 2012 Russian presidential election. For now, Medvedev appears to have more real commitment – political will – to reduce corruption and crime than either of his predecessors had, but needs to persuade the Russian public that he is genuine about reforming the police and promoting real respect for the law. Unfortunately, that will be an uphill struggle – though an early 2010 survey revealed that Russians agree with him that development is being hindered above all by corruption, with almost 40 per cent saying that the fight against corruption should be the top priority in the country’s modernisation program. Moreover, while Russian judges apparently consider anyone brought before them as automatically guilty – for many years, the number of acquittals handed down by the courts has averaged 0.7 per cent of all cases – Russian citizens will continue to believe that the judicial system is politically controlled, rather than a rule of law one. But Russia is a dynamic and unpredictable country, and can still surprise both domestic and foreign observers.

Notes

1 I am indebted to the Australian Research Council for funding that greatly facilitated the research for this chapter (Grant Nos. A79930728 and DP0558453). I also wish to thank the National Chengchi University, in particular A/Prof. Yung-Fang Lin, for inviting me to a conference in Taipei in November 2008 and permitting me to use parts of my paper presented at that conference in this chapter.

2 The Ministry of Internal Affairs does compile corruption statistics, but these are not generally available. For the 2009 general crime overview see www.mvd.ru/stats/10000231/10000447/7492/ (accessed 23 April 2010).

3 An example of how confusing Russian corruption statistics can be is to compare Nurgaliev’s figure here with a statistic cited by Medvedev when he announced his new anti-corruption decree in May 2008. According to the president, 10,500 cases of corruption resulted in charges in 2007 (Medvedev 2008a); while possible, it is highly improbable that almost 9,000 cases were from the second half of the year, and only some 1600–1700 from the first half.

4 The TI CPI is often criticised for its methodology (Galtung 2006). But TI is responsive to criticism, and is constantly improving its approach. Moreover, the index is influential, being cited more than any other, and hence should be noted.

5 The allusion here is not only to the de facto increasing nationalisation of parts of the economy (particularly in the energy sector) and the treatment of oligarchs such as Khodorkovsky, but also to Putin’s apparent lack of concern in the early stages of the global financial crisis about the near-collapse of the Russian stock market.

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The Russian power ministries and security services

Bettina Renz

The role and influence of the Russian power ministries and security services has become a widely discussed issue in Russian politics, especially since Vladimir Putin’s rise to political prominence. The political role of the siloviki in particular has attracted the attention of analysts and academics both in Russia and abroad. The term “siloviki” is traditionally used in Russian jargon to describe employees of the Russian military, law enforcement and security services. In Russia these are often referred to collectively as silovye struktury or silovye vedomstva – shortened to “siloviki” as a descriptor for their personnel. Literally silovye struktury translates into “power wielding” or “force wielding” structures, and the terms most commonly used to describe these in English language analyses are the power ministries, force structures or the security apparatus (Bacon 2000; Renz 2005, 2010; Taylor 2007). With Putin’s rise to power, the meaning of the term “siloviki” became more specific and started to be used to denote politically or economically active individuals with a career background in one of the Russian power ministries. As discussed in more detail below, concerns were raised that growing numbers of politicians with a common background in these institutions and their shared “military style traditions” would push Russia in a more authoritarian policy direction (Kryshtanovskaya and White 2003; Reddaway et al. 2004). However, assessing the influence of the siloviki on contemporary Russian politics and society is not straightforward. Before their role can be discussed in detail, a clear understanding and definition of the Russian power ministries and security services and a look at the individual components that these include is essential.

The development of the Russian power ministries and security services since 1991

In accordance with Russian law in the sphere of security and defence, a number of bodies of executive power have under their command uniformed personnel and are allowed to maintain and command militarised formations. As mentioned above, these are known collectively as the power ministries or the security apparatus. The exact composition of the Russian security apparatus remains contested and different characterisations have been offered by a number of analysts (Bacon 2000; Renz 2005; Vendil Pallin 2007; Taylor 2007). In the Soviet Union the power ministries were limited to three entities – the Ministry of Defence, the Interior Ministry (MVD) and the KGB. With the collapse of the Soviet Union these power ministries were broken up into numerous separate institutions. Under the presidency of Boris Yeltsin the number of
power ministries ballooned to more than 15 and was again reduced to about 10 in the course of two rounds of reforms of the security apparatus carried out by Putin in 2003 and 2004. Some analysts have explained the rise in the number of power ministries as being part of a “divide and rule” strategy used by Yeltsin particularly in the early post-Soviet era. They argued that this was intended to diffuse challenges from potentially powerful and conservative elements in the KGB and the Ministry of Defence and to strengthen the president’s power base (Desmond 1995; Moran 2002). All Russian power ministries are directly subordinated to the Russian president, leaving the government without oversight rights over any of the ministries and services responsible for upholding Russian security and defence. Other elements that are traditionally seen as important for a functioning system of civilian control, such as parliamentary oversight, are reduced to the passing of laws and the annual budget on national defence. Even these functions are weak, however, because most of the laws are Kremlin sponsored and the relevant parliamentary committees are not provided with detailed information on the allocation of resources to the MoD and to other power ministries (Gomart 2008, 32). The reduction of civilian control to presidential control in Russia has meant that the power ministries’ accountability to society is very low and it has strengthened the idea that they constitute a “presidential bloc” used by the civilian elite for gaining and holding power (Vendil Pallin 2007, 3).

However, this explanation cannot fully account for the continued existence of a significant number of power ministries in Russia today. An important factor that determined reforms of the Russian security apparatus in the post-Soviet era was the country’s obvious need to adapt to new challenges in the post-Cold War security environment. Whilst the Soviet power ministries emphasised external threats and the possibility of a large-scale military conflict between East and West, the collapse of the Soviet Union presented Russia with a number of challenges that its existing security apparatus was not equipped to deal with. Not unlike post-Cold War changes in the security priorities of Western states, “new” security challenges, such as terrorism and drug trafficking, moved to the forefront of security concerns facing the Russian leadership (Bacon 2000, 3; Renz 2007). Transformations of the Russian security apparatus therefore also reflected the country’s need to react effectively to the new security environment.

The Russian Ministry of Defence (MoD) continues to be the largest of the Russian power ministries. Its functions correspond to the “traditional” tasks of a military – the protection of the country’s territory and population from external threats. The MoD is responsible for the army, the navy and the air force as well as for three additional branches – the Strategic Rocket Forces, the Space Forces and the Airborne Forces. Several rounds of reforms throughout the post-Soviet era have failed to transform the Russian military into a modern and professional force (see Chapter 19 by Dmitry Gorenburg). Although these reforms have resulted in a significant reduction in the manpower of the armed forces since Soviet times, their numerical strength continues to be maintained at approximately 1.2 million men, with a strong reliance on conscripts (Vendil Pallin 2009). The political role of the Russian armed forces has been the subject of much discussion (Barilsky 1998; Herspring 1996; Moran 2002), particularly during the 1990s. The political involvement of siloviki with a background in the regular armed forces became the centre of attention in 1995 when 120 military officers announced their candidacy in the 1995 parliamentary elections. Two prominent Generals – Lev Rokhlin and Aleksandr Lebed – were seen as the driving force behind this political activism (Barilsky 1998). This event was seen by many at the time as a worrisome encroachment by the armed forces into electoral politics (Mathers 2003, 28). The electoral success of the military candidates, however, was limited and fears over an “electoral mutiny” of the armed forces quickly diminished (Nichols 1995). Deficiencies in the Russian system of civilian control over the military have been seen as an important reason for the Russian armed forces’ political influence. Whilst being standard practice in Western states, Russia does not
have a tradition of civilian ministers of defence (Betz 2002). Throughout the 1990s career officers continued to be appointed to this post. This was seen as problematic as it was presumed that “one of their own” could not but lobby on behalf of the armed forces, instead of pursuing defence policies as determined by the civilian leadership. With the appointment of the economist Anatoly Serdyukov in 2007, the Russian MoD was headed by a civilian for the first time. Although this has not done away entirely with resistance to reforms and other policy decisions by conservative generals, it has further decreased the potential of the armed forces to influence the political process (Smith 2010).

The Ministry for Civil Defence and Emergency Situations (MChS) was established in 1994. It was an amalgamation of the Russian Rescue Corps, which had been created in 1990, the State Fire Service and some 23,000 Russian civil defence troops. The latter had been a part of the Soviet MoD, from which they were separated in 1991. During the Soviet era civil defence troops were maintained in order to provide assistance to the population after bombing raids and nuclear, biological or chemical attacks. The MChS was created to address the need to deal more effectively with the consequences of natural and man-made disasters. It was also to retain a wartime role and continues to be tasked with the organisation and coordination of Russian military forces for the purpose of civil defence during wartime. The MChS can be described as a quasi-military organisation with no direct Western equivalent. Given the wide-ranging specialisation of its personnel, the ministry’s tasks are extremely varied. It is responsible for a network of fire services throughout the country. Moreover, its rescue forces provide rescue services in response to calls on the nationwide emergency telephone network. The MChS’s civil defence troops have contributed to crisis response in conflict situations both in Russia and abroad. They have participated in humanitarian operations, for example, in Chechnya and South Ossetia, as well as various UN efforts around the world. Specific contributions have included the building of refugee camps and delivery of humanitarian aid. MChS civil defence troops are military personnel with the corresponding training, arms, vehicles and aviation at their disposal. However, this training and equipment is used only for the purpose of self-defence (Renz 2007). As compared with some other prominent power ministries, the MChS has not been seen as playing a notable political role (Taylor 2007, 5). It has been headed by the same minister, Sergei Shoigu, since 1994. He briefly rose to political prominence in the run up to the parliamentary elections in 1999 when he took one of the top three positions on the party list of the newly created pro-Kremlin movement Unity, the predecessor of what has come to be known as the party of power, United Russia. Shoigu never took his place in parliament and subsequently kept out of the overt political struggles some prominent leaders of other power ministries have been involved in.

The Russian Interior Ministry, or MVD, is the institutional successor of the Soviet MVD. Like the MChS, this power ministry can be described as a hybrid, as it is both a law enforcement agency and a military service. The range of tasks fulfilled by the MVD’s numerous departments is very broad. Its law enforcement element, the militsiya, is tasked with the fighting of crime and other “traditional” police assignments, including road traffic safety. The ministry also has at its disposal several special assignment units, such as the riot police OMON and the rapid response unit SOBR (Galeotti 1997). Due to endemic corruption amongst its personnel, the Russian police have been experiencing a serious image problem and enjoy an extremely low level of public trust. In order to deal with this situation, plans for wide-ranging reforms of the police service, including a complete “rebranding” and its renaming to politsiya, were announced in 2010. The MVD’s militarised element consists of approximately 200,000 internal (or domestic) troops. Their tasks include supporting the police in maintaining public security, participating in the defence of Russian territory and providing support to the border guard troops. There has been an ongoing discussion about the need to substantially reform the interior troops, but no plans for significant
transformation, such as the idea of turning them into a separate service similar to the US National Guard, have ever come to fruition. MVD troops were involved heavily in the fighting in both Chechen campaigns. Their efficiency and conduct in these conflicts was widely criticised. Critics included the commanders of MoD and FSB troops that were also involved. These tried to shift blame for military failures to the MVD and reportedly treated the ministry with contempt (Bennett 2000b, 14). The Russian MVD has been characterised as the “neglected stepchild of the Soviet power ministries” whose power was somewhat minor compared with the MoD and KGB (Taylor 2007, 7). Given the lack of attention paid to reforming this institution in comparison with the regular military, and the institutional strengthening of the FSB in recent years, it appears that the MVD continues to occupy a relatively marginal position in the Russian security apparatus.

The Federal Security Service (FSB) is the major institutional successor of the Soviet KGB and the largest and most prominent of the Russian security services. Unlike the institutions above, it does not have the status of a ministry. It is a federal service headed by a director, who is answerable directly to the Russian president. Given the dominant position the KGB had enjoyed in the Soviet regime and the central role some of its leadership had played in the August 1991 coup attempt, the dismantling of this institution and the dispersal of its power potential was a priority of Gorbachev and Yeltsin in 1991. The Soviet KGB was officially abolished by Gorbachev in 1991 (Bennett 2000a) and split into numerous smaller entities. Several rounds of reorganisation of the Russian security services followed, and the contemporary FSB was established by federal law in 1995. It is responsible today for many of the functions carried out by its institutional predecessor. The FSB’s tasks are wide ranging and reflect the variety of structures under its command. They include intelligence and counter intelligence activities, dealing with organised crime on a national and international level, the guarding of state borders, ensuring information security and the fighting of terrorism. The FSB, too, can be called a quasi military organisation as it employs both civilian and military personnel. Its most prominent elements are the special assignment units (Spetsnaz), Alfa and Vympel, which were included in the service’s anti terrorism centre in 1995. The FSB is in command of 4,000 Spetsnaz personnel, who receive military training and have the right to procure corresponding weapons and equipment (The Military Balance 2009). These units have been fighting alongside MVD and MoD troops in Chechnya and were involved in the counter terrorist operations ending the hostage crises in a Moscow theatre in 2002 and in Beslan in 2004 (Renz 2005).

The FSB’s institutional size and sphere of responsibility grew considerably in 2003 when Putin announced extensive reforms of the security apparatus. The FSB absorbed some of the assets and functions of the Federal Agency for Government Communication and Information (FAPSI), which had been an independent successor organisation of the KGB from 1993 until it was disbanded in 2003. FAPSI had previously been described as Yeltsin’s “favourite” power ministry and its relationship with the FSB as “acrimonious” (Bennett 2000c). The integration of the sizeable Border Guard Troops into the FSB at the same time increased the latter’s establishment strength by 160,000 personnel (The Military Balance 2009). The Border Guard Troops were part of the KGB during Soviet times and were established as a separate service by Yeltsin in 1993 (Bennett 2002). As the reforms clearly increased the strength and power of the FSB, some analysts concluded that the objective of Putin’s reforms was the re creation of the KGB (Bacon and Renz 2003). Official explanations of the 2003 reforms of the Russian security apparatus were the need to adapt the country’s forces to the changing international security environment and to improve coordination between the power ministries in the fight against terrorism and organised crime. A lack of coordination between the power ministries has been identified as a recurring problem throughout the post Soviet era. It has been held responsible for the Russian forces’ poor
performance in the Chechen campaigns (Moran 2002, 98) and in Georgia (Vendil Pallin and Westerlund 2009), and especially in the counter terrorism operations in Beslan in 2004 (Lynch 2005, 157). In order to improve the coordination of counter terrorism responses, a National Counter Terrorism Committee (NAK) was created in 2006 to harmonise the efforts of all power ministries involved in counter terrorism. This Committee is headed by the FSB director on the federal level and by the head of the local FSB in Russia’s regions (Hahn 2008, 9–10). Increasingly since the election of Putin as president in March 2000, the FSB and its political role has become a much discussed issue in Russian politics. Putin himself has a career background in the Soviet KGB and acted as FSB director from July 1998 until March 1999. Analysts both in Russia and abroad have expressed concerns about what they saw as evidence of the service’s growing influence on politics and society, pushing the country in a more authoritarian policy direction. The increasing numbers of siloviki appointed to political posts has been a central aspect of these concerns and will be discussed in more detail below.

The Federal Service for the Control of the Drugs Trade (FSKN) is an interesting case as it did not emerge from one of the three Soviet power ministries. It was created from scratch in March 2003 during the course of Putin’s security reforms noted above. Until the collapse of the Soviet Union, the scale of the trade and consumption of illegal drugs in Russia was miniscule compared with that in Western states (Conroy 1990, 457). The collapse of travel and trade restrictions resulted in the rapid expansion of drug use and trade in the country starting from 1991. Today, Russia has one of the largest populations of injecting drug users in the world and is witnessing the fastest growing HIV/AIDS epidemic in the world (United Nations 2008). The Russian leadership quickly came to prioritise the importance of dealing with this new security challenge and several efforts were made to create an effective counter narcotics strategy using the combined efforts of the MVD, the FSB and the Border Guard Service. The success of these agencies in slowing down the rapid expansion of the drug market into the country was limited, however. Their effectiveness was hampered in particular by the lack of coordination amongst the structures involved (Paoli 2002). The FSKN was established in 2003 in order to address the need for a coordinated counter narcotics strategy. Its establishment strength was put at 40,000, with about half of the staff classified as law enforcement personnel. It also has under its command special assignment units (Spetsnaz) tasked with providing physical security to FSKN officers. These have also been fighting alongside military personnel against drug crime committed by insurgent groups in the North Caucasus, including in Chechnya (Renz 2005). Although the FSKN continues to face a number of challenges, including corruption within its own ranks, it has made considerable advances in improving responses to large scale drug crime and in building international cooperation (United Nations 2008). When the FSKN’s creation was announced in 2003, the media interpreted this as a further move initiated by Putin to re create the former powers of the KGB. The impression that the establishment of this new service was intended to contribute to the strengthening of the siloviki’s influence was enhanced when Viktor Cherkesov, an ally of Putin and former colleague from the St Petersburg KGB, was appointed as its director (Taylor 2007, 9). Since its creation in 2003, the FSKN has been involved in some highly publicised displays of rivalry with the FSB. Following the arrest of some senior drug police officers on corruption charges in 2007, FSKN director Cherkesov published an open letter where he warned about the dire consequences of what he saw as the evolving “war” of the power ministries fanned by the ambitions of the security services. This has given credence to critics who have sought to conceptualise Putin’s reforms of the security apparatus as part of the political power game (Whitmore 2007). Cherkesov was replaced as FSKN director by Viktor Ivanov, another Putin ally, in 2008. Ivanov has subsequently attempted to downplay rivalry between his agency and other power ministries.
Russia’s other power ministries also fulfil functions in the country’s system of security and defence. As a whole, however, these have been less visible and have not been involved in overt political struggles. The Foreign Intelligence Service (SVR) is also a successor organisation of the Soviet KGB. Its functions are similar to those of its foreign counterparts, for example the US CIA or the British MI6. It is a fairly technically minded service with intelligence gathering constituting the central plank of its activities. It contributes to Russia’s efforts in the fight against international terrorism and organised crime and is therefore tasked with cooperating to this end with other power ministries (particularly with the FSB) and also with its foreign counterparts. The Federal Guard Service (FSO) is another offshoot of the Soviet KGB. The FSO’s major tasks are to protect the president and other Russian high ranking officials, as well as buildings and strategically important infrastructure. The FSO has a clear military element as it includes a brigade and two regiments, including the prestigious Presidential Guards regiment. Although the FSO and its activities rarely attract public attention these days, this was not always the case. The service was considered highly politicised in the early 1990s when the presidential protection service was headed by Aleksandr Korzhakov, a close ally of Yeltsin. Other institutions often included in the range of power ministries due to the specificity of their tasks and the position they take in the system of executive power are the State Courier Service (GFS), the Main Directorate for Special Programmes under the President (GUSP), the Presidential Directorate for Administrative Affairs (UDPRF), the Federal Customs Service (FTS), the Procuracy, and the service in charge of administering the Russian prison system (FSIN) acting under the auspices of the Ministry of Justice (Renz 2005; Taylor 2007; Vendil Pallin 2007).

The Russian power ministries and security services have undergone fundamental changes over the last two decades. The need to exercise control over these powerful institutions in the aftermath of the collapse of the Soviet Union, as well as power struggles within the Russian polity, influenced the direction of these changes, especially in the early post Soviet era. Moreover, the country’s need to adapt its security apparatus to meet the challenges of the changing security environment should not be disregarded as a determining factor for reforms. For much of the post Soviet era, both Yeltsin and Putin prioritised the law enforcement and security services over the regular armed forces when it came to funding and reforming the power ministries. In the words of Brian Taylor, given the situation the country was facing in Chechnya, the growing danger of terrorism and increasing levels of organised crime, “this focus made sense” (Taylor 2007, 12).

The influence of the Russian power ministries and security services and the role of the siloviki

Following Putin’s election as president in 2000, the growing number of siloviki in official posts attracted the attention of analysts both in Russia and abroad, who saw this as evidence that the power ministries’ political influence was growing. In a seminal study of the Russian political elite in 2003, Stephen White and Olga Kryshtanovskaya found that the number of siloviki in political positions had risen exponentially since Putin’s election in March 2000. In a quantitative study of various institutions on the federal and regional levels, they found that between 15 and 70 per cent of elite posts were now occupied by siloviki. They asserted that the impact of this development on Russian politics would be dramatic and argued that it explained the increasingly authoritarian policy direction pursued by the Putin regime. Due to the sheer quantity of siloviki in political positions, they concluded, it would be difficult to avoid transferring the methods inherent in military structures to society as a whole (Kryshtanovskaya and White 2003). Other analysts expressed similar concerns, anticipating the effects of an increasingly undemocratic outlook, setting siloviki apart from other politicians because of their “military frame of mind” (Isakova
2002, 221). Some even went as far as to suggest that the increasing number of siloviki in Russian politics denoted a “peaceful military takeover” (Petrov 2002, 88). Whilst the above analysts included siloviki from all power ministries in their studies, other scholars focused on the growing influence of the FSB in particular (Anderson 2006). The idea that an “FSB isation” of Russian politics was occurring subsequently was picked up by the Western media as well as by the critical media in Russia. Media reports of an evolving “spy mania” in connection with the FSB were published widely in connection with a series of trials of particular individuals or groups, instigated by the FSB and the SVR (Bacon et al. 2006, 40). Other “headline grabbing crises and conspiracies” included the 1999 apartment bombings in Russia and the murder of the ex KGB exile Litvinenko in London in 2006. Although evidence in both cases was far from conclusive, many journalists pointed the finger at the FSB without hesitation (Taylor 2007, 26–29). As one analyst observed, since “the media have seized on this trend … practically every Kremlin policy change construed by the media as ‘anti Western’, from Iran policy to back tax claims, has been credited to this mythologized [siloviki] clan” (Bremmer and Charap 2006–7, 83).

Concerns were expressed not only about what the rising involvement of the power ministries and security services would mean for Russia’s democratic development. Other analysts argued that the siloviki also sought to gain influence over the economic process. A prominent chain of events in this respect was the investigation into the Russian private oil company Yukos and the arrests of a number of its top executives, including Mikhail Khodorkovsky, in autumn 2003. A number of analysts from the outset framed this affair within the framework of an authoritarian policy course executed by a government controlled by the siloviki. A dominant interpretation of the events saw this as part of a “clan” warfare instigated by the siloviki against the oligarchs that had amassed their wealth under Yeltsin’s leadership. The newly emerging “security” elite under Putin did not have access to resources in the same way as the oligarchs did under Yeltsin, and the Yukos affair was therefore understood by some as a forceful attempt to redistribute wealth to the siloviki (Bacon et al. 2006, 164). In the words of the economist Marshall Goldman, the siloviki were the driving force behind the Yukos affair and were “eager to step in as either owners or executives, replacing the oligarchs as they are flushed out” (Goldman 2004, 434). Scholars also found evidence of the “militarization of business” more generally (Kryshtanovskaya and White 2003, 302). Daniel Treisman argued that the oligarchs, who had been an influential force under Yeltsin, were increasingly squeezed out by representatives of the security services. In his view, this led to the emergence of a new, powerful business elite, which he termed the “silovarchs”. He found that in 2005 siloviki were dominating the boardrooms of Russian companies whose combined assets accounted for one third of the country’s GDP. Treisman claimed that under Putin, “industrial and financial capital has fused with secret police networks to produce a new political and economic order”. He concluded that due to the secret service tools and intelligence networks at these figures’ disposal, this emerging “silovarchy” further disposed Russia to authoritarian politics (Treisman 2007).

The widespread interest in the siloviki, especially during the early years of Putin’s presidency, produced a large amount of subsequent studies of this group and of their influence on Russian politics and society. In the course of these studies, some analysts found that conclusions about the roles they play, and about the influence of the power ministries and security services as institutions, were not as straightforward as often presumed. The fact that some democratic freedoms in Russia were curtailed was not disputed. However, the extent to which this was due to the rising number of siloviki and a growing influence of the power ministries and security services was far from clear. As Thomas Gomart observed succinctly, the terms “militarisation” and “siloviki” can be misleading, “giving the impression that the overrepresentation of siloviki among the ruling elite has repercussions for the whole of society. This overrepresentation stems from the predominance of
security issues over other issues such as social development” (Gomart 2008, 60). Other authors have also cautioned that analyses should not be based on a priori assumptions about the nature of the Russian political regime and the role of the power ministries within it. The concept of the siloviki as a coherent group was an attractive shorthand term for seeking to make sense of the Russian regime that continues to be little understood. Moreover, it had an immediate superficial attraction stemming from Putin’s own career background in the KGB. However, the presumption of a link between siloviki in political posts and the rising influence of the security services and a more authoritarian policy direction was used too readily as an overarching explanation of political processes in contemporary Russia. It did not do justice to the complexity of the Russian political system and the political processes at work (Bacon, et al. 2006, 37).

A number of studies found that the portrayal of the siloviki as the dominant power brokers in contemporary Russia underestimated the influence of other groups in the Russian regime. Siloviki were not the only influential group under Putin’s leadership. Studying power constellations and relationships in the Kremlin, some analysts spoke of up to ten different factions vying for power. The groupings most often cited as being close to Putin, in addition to the siloviki, were the so called “liberals” and “technocrats”. These comprised civilian economists, business people and lawyers, some of whom Putin had worked with in the St Petersburg city administration and brought into his team when he formed his government in 2000 (Bremmer and Charap 2006–7, 85). The fact that Dmitry Medvedev, who had been seen as a member of the “technocrats”, succeeded Putin as president gave credence to this observation and demonstrated that the influence of the siloviki was not as all embracing as sometimes presumed. In 2006 the political scientists Sharon Wering Rivera and David Rivera recalculated the data used by Kryshtanovskaya and White for their 2003 study of “Putin’s militocracy” that was widely used as the basis for subsequent analyses of the role of the siloviki in contemporary Russia. Not only did this re-examination find that the number of siloviki in important posts was not as large as previously maintained, it also demonstrated that the expansion under Putin of the role of individuals with a business background and training in economics and law in the Russian elite had been underestimated (Rivera and Rivera 2006).

Studies analysing the exact makeup of the siloviki faction found that their portrayal as a coherent group or analytical entity was problematic. As mentioned above, pioneering examinations of the siloviki, such as the work by Kryshtanovskaya and White, defined these as individuals with a career background in any of the Russian power ministries, including in the regular armed forces. The potential for concerted political influence by a coherent group of siloviki would necessitate a common agenda in the form of shared institutional interests, as well as the possibility of its coordinated implementation. As demonstrated in the outline of the Russian power ministries and security services above, the relationship between these institutions is far from straightforward and instances of rivalry and tension, such as those between the MVD and the FSB, have been noted throughout the post Soviet era. Lobbying for a desirable share of the budget for national defence, for example, historically has provided a fertile ground for division and rivalry between individual power ministries and security services (Vendil Pallin 2007, 23). The duplication and overlap of functions across several institutions has been another source of division and has led, in the words of the Russian defence analyst Routsam Kaliyev, to “constant competition and interagency ‘war’” (Kaliyev 2002). A monopolisation of Russian policy making by the power ministries and security services is therefore highly unlikely due to the “fragmentation between factions within the siloviki camp” (Shevtsova 2007, 101). The presumption of a common “military frame of mind” (Isakova 2002, 221) and “political psychology” (Barilsky 1998, 238) shared by all siloviki that would result in a more authoritarian policy direction has also been questioned. A micro level study of the siloviki under Putin’s leadership found that the roles they carried out
during their employment in one of the power ministries and security services varied too widely to allow conclusions about a possible attachment to “common military style traditions” (Reddaway et al. 2004, 2). Moreover, the same study questioned whether the previous experience of siloviki in a command-oriented military organisation or security service necessarily was of lasting importance for their conduct in a civilian post, or if they would permanently act in line with the undemocratic modus operandi of their former employer. Studying the biographies and careers of a variety of prominent siloviki, it concluded that the line between these figures and “civilian” politicians was often blurred and they were not necessarily more undemocratic than civilians simply as a result of the experience they gained in their previous careers (Renz 2006).

With the election of Dmitry Medvedev as president in 2008, debates on the role of the siloviki and on the influence of the power ministries and security services have become less prominent. Much was made about the relationship he would have with the siloviki and the power ministries, especially in the early months of his presidency. From the outset Medvedev took an explicitly pragmatic stance on the issue, portraying the siloviki as regular participants in Russian political life whose background neither had a positive nor negative impact on their conduct and performance (Renz 2010, 66). In an attempt to conceptualise shifting balances of power as a result of Medvedev’s election as president, some analysts have started to characterise his power base as a new group they termed the “civiliki” (Stack 2009). With the emergence of the new president, the practice of appointing siloviki to central positions appears to have slowed down. In a study of elite transformation in Russia in 2010, Olga Kryshtanovskaya and Gleb Pavlovsky found that Medvedev had replaced more than 60 per cent of Kremlin officials since his election, bringing in a new and younger cohort of bureaucrats with civilian backgrounds (Whitmore 2010). These findings are significant as they give credence to those who argued that the rising numbers of siloviki under Putin were a symptom of the personalisation of politics in Russia, rather than a conscious strategy intended to bring to power the security services in a peaceful military takeover (Renz 2006; Shevtsova 2007).

Not least due to their size and number, the Russian power ministries and security services are important actors in the Russian system of power. It is beyond doubt that they have been involved in personal power struggles by the political elite, especially in the early post Soviet era. It is also clear that law enforcement and security services have been used at times to implement and pursue policies that have led to the tightening of democratic freedoms in some spheres (Bacon et al. 2006). However, it would be incorrect to portray them as the driving force behind policy making in Russia or to conclude that the Russian power ministries and security services are beyond control. Control lies with the Russian president, to whom all power ministries are subordinated. The role they play in Russian politics and society is a symptom of the way in which the country is governed and of the policy priorities of its civilian leadership. But it is not the cause.

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In the mid 1980s, the Soviet army was at the peak of its international prestige. Despite being bogged down in Afghanistan, it was still considered a powerful enough conventional force to be capable of conquering Western Europe in a conventional war with NATO. To be sure, there were many internal problems, such as a growing gap in technological capabilities vis-à-vis the United States, discipline problems, rampant hazing among conscripts, and corruption among the officer corps. But these problems were overshadowed by the sheer size of the military in terms of both manpower and equipment, as well as its approximately 45,000 nuclear warheads (about double the number possessed by the United States at the time). The military capabilities that Russia inherited as the Soviet Union collapsed were seen by all observers as sufficient to ensure that Russia would be a major international force for the foreseeable future. As it turned out, a combination of economic problems and internal instability ensured that Russia rapidly slid into virtual irrelevance in international politics. At the same time, these problems, combined with a changed international environment, ensured that the military would cease to be seen as critical to Russia’s survival and would begin a fairly rapid decline, which has still not been completely reversed twenty years later.

The break-up of the Soviet army

Gorbachev began the process by telling military leaders who had been used to getting whatever resources they asked for to begin to make do with less. At its peak in 1986, the Soviet military had over five million soldiers. By the end of Gorbachev’s tenure in 1991, it had shrunk to less than 3.5 million soldiers. At the same time, it underwent a series of upheavals connected to the withdrawal from Afghanistan and the concurrent removal of communist political organisers from military units. Afghanistan was widely declared to be the Soviet Union’s Vietnam—a long, bruising war of attrition that ended with an ignominious withdrawal that many saw as a shameful failure for what was ostensibly the most powerful military in the world. The removal of the political commissars was a natural outgrowth of the Communist Party’s loss of position as the undisputed leading force in Soviet society, but it brought with it a severe loss of cohesion (Hersspring 2006). The combination of a military defeat and the loss of a guiding ideology robbed the military of its sense of purpose and allowed the ethnic divisions that had become the main cleavage in Soviet society to undermine cohesion in the military as well. This process was further exacerbated by Gorbachev’s decision to use the military to attempt to repress anti-government protests among the civilian population. These attempts led to a loss of trust in the military among large segments of the civilian population. At the same time, Gorbachev’s refusal to take responsibility for ordering
the attacks alienated the military leadership. It speaks to the highly ingrained ethic of military non-intervention in political affairs that despite the highly negative attitude towards Gorbachev among the military, they refused to take part in the August 1991 coup that sought to remove Gorbachev and restore the country’s conservative political direction, though some top generals did make statements in support of the coup.

In the aftermath of the failed coup, as the Soviet Union drew closer to breaking up into its constituent union republics, the Soviet military likewise faced the prospect of being divided among the 15 new states (Pallin 2009). Top military leaders, including Yevgeny Shaposhnikov, the new Defence Minister, sought to keep the military united under the Commonwealth of Independent States (CIS) umbrella even as the country broke apart around it. They were particularly nervous about keeping control of the country’s nuclear arsenal, parts of which were stationed in Ukraine, Belarus and Kazakhstan. As the union republics, led by Ukraine, declared the formation of their own armed forces, officers and soldiers stationed in or originating from these republics had to choose in which army to continue their service. In the meantime, top civilian and military officials were arguing about how to divide the facilities and equipment that had previously belonged to the Soviet military.

The Russian military was officially established on 7 May 1992, once it became clear that the CIS was going to be nothing more than a loose-knit confederation that could not maintain a unified military force. An initial assessment of conditions in the newly formed army argued that it had lost much of its most advanced equipment, which had been located in regions closer to the old Soviet border, territories that now belonged to other countries. Many units were under-staffed because of soldiers who had returned to their newly independent home countries (Herspring 2006). There were also conflicts over the ownership of naval bases in the Black and Caspian Seas and the ships based at these facilities. After a period of tense haggling, both fleets were divided between Russia and the states where the facilities were located, with the Russian Black Sea Fleet retaining ownership of 70 per cent of the Soviet naval base at Sevastopol while the Russian Caspian Flotilla left its historic base in Baku and relocated to Astrakhan and Makhachkala.

The collapse of the Soviet Union thus played a significant role in the weakening of the Russian military. The splintering of the country into its constituent parts caused disarray in the army and made it especially vulnerable to further disruption because of the economic collapse and political instability that plagued Russia during its first years of independence.

**Decline during the 1990s**

After cementing his hold on power, Yeltsin largely ignored the military. He firmly believed that the end of the Cold War meant that Russia no longer faced serious military threats. For him, the main threats facing Russia at the end of 1991 had to do with its internal problems, including the country’s economic collapse and the threat of ethnic separatism that could lead to a break up of the federation. At the same time, the economic crisis meant there were no funds available to reform the military to bring it in line with the changed post-Cold War security environment.

As a result, for most of the decade, the military was largely left to its own devices. Civilian authorities did not do anything to press the military leadership to update their threat assessments to reflect the changed international situation (Betz and Volkov 2003). As a result, the top brass continued to view the world through the prism of superpower competition with NATO and the United States. This meant retaining a mass-mobilisation army, using vast numbers of reservists in a military that focused on large-scale conventional warfare with tank divisions and artillery (Herspring 2006). Economic problems meant that budget cuts were inevitable, but no one in the military focused on how it should be revamped to maintain the highest possible level of
effectiveness in the new strategic and economic environment. The defence budget dropped from US $325 billion in 1991 to $72 billion in 1994. Furthermore, not all of the money that was allocated actually made its way to the Defence Ministry. While Russia would have been better off with a military that was more flexible and manoeuvrable, cuts were instead applied mechanically more or less across the board.

Defence Minister Grachev focused on cutting the numerical size of the military while simultaneously withdrawing troops from Eastern Europe and the newly independent states of the former Soviet Union. Both efforts required significant expenditures on social needs, either for new bases for troops that were formerly based abroad or to provide retiring officers with housing and other social amenities guaranteed by law to departing members of the military. In 1994, Grachev noted that providing for 120,000 homeless officers and thousands of people without jobs would consume 50 per cent of the military’s resources. Since money also had to be allocated for salaries for active officers, the budget left virtually no funding for procurement, maintenance, or training. Reports at the time indicated that in 1994, 70 per cent of military exercises had to be scrapped, while flight time for combat pilots had declined by a similar figure. As much as three quarters of the Russian military’s equipment and weapons was already outdated by the early 1990s, while procurement of replacement equipment was precluded by the financial crisis. Dale Herspring (2006) notes that as early as 1993, only 20 per cent of Russian tanks were considered combat ready. The situation was similar in the Navy and Air Force, where the majority of the nuclear submarines and strategic bombers were parked because the forces could not afford to operate them. Furthermore, a large percentage of the Soviet military’s repair facilities had been located in other republics and were therefore out of reach of the new Russian army. Equipment that wore out in some cases could not be repaired even if the money to do so were to somehow be found.

As a result, the Russian military’s combat readiness dropped precipitously. The non payment of salaries led to the departure of vast numbers of experienced officers, which, combined with recruiting problems due to the military’s financial problems and low prestige, meant that even with the cuts in the military’s size most units were undermanned by up to 50 per cent. Even privileged forces, such as the airborne troops and the Strategic Rocket Forces, had reached a point where commanders were unsure that their units could carry out basic missions. Within just a few years, the fearsome Soviet military had turned into a decaying agglomeration of disparate units that was capable of neither fulfilling the tasks assigned to it by Soviet era battle plans nor developing new plans for the changed post Cold War environment.

The Chechen war

As long as it appeared that the military would not be needed for combat in the foreseeable future, the disastrous situation of the Russian military did not truly concern top government officials. When President Yeltsin decided that the stand off with the rebellious province of Chechnya, which had claimed independence since 1991, had to be ended, the military leadership promoted the idea of a military invasion of the region to reassert Moscow’s control. They believed that an invasion would result in a quick victory that would restore the army’s prestige, potentially leading to increased funding. Although Defence Minister Grachev and other top generals well understood the military’s low level of readiness, they firmly believed that even a poorly trained Russian army operating with somewhat outdated equipment was more than a match for what they saw as a ragtag bunch of rebels with no military training and little equipment beyond rifles and a few rocket propelled grenades. The Chechen forces were seen as no match for Russian tanks and artillery.
As it turned out, it was the Russian high command that had vastly overstated their forces’ ability to fight a guerrilla war against a committed adversary who was far more familiar with the local terrain and could count on support from much of the local population. Because of staffing shortfalls, the invading force comprised units pulled from all over the country. This, combined with a complete absence of large scale exercises over the previous several years, meant that the force had no training for the type of combat it was ordered to undertake. There was a distinct lack not just of knowledge and experience, but also of unit cohesion. Weather conditions prevented the air force from providing effective air cover for the tank columns that served as the core of the Russian force. Given these circumstances, a number of senior commanders refused to participate in the operation and resigned their commissions. They were replaced by ambitious generals, who were more politically attuned to the leadership but not necessarily as competent in leading combat forces (Baev 2004).

The result was a disaster. After slowly completing a partial encirclement of the Chechen capital Grozny, Russian forces began an offensive into the city on 31 December 1994. They did not expect much resistance. As it turned out, not only did the Chechen rebels resist, by using snipers, roadside bombs, and rocket propelled grenades, they managed to destroy or trap almost the entire Russian tank column. After the initial disastrous attack, Russian forces eventually managed to capture Grozny and by May 1995 had succeeded in pushing Chechen forces into the southern mountainous part of the republic. After some months of guerrilla warfare, Chechen forces launched a daring raid into Russian territory, followed in 1996 by an equally daring attack on Grozny that allowed them to temporarily recapture the city and led to a cease fire agreement that was signed in August of that year (Lieven 1998).

The Russian military was defeated in this war because of a combination of poor equipment, lack of training, and problems with communication systems and intelligence. But the biggest failure was that of the commanders, who terribly underestimated their enemy, used conventional war tactics that were completely inappropriate in a guerrilla war environment, and failed to develop a clear and consistent chain of command.

The war destroyed what was left of the Russian military’s reputation. The policy of neglect continued for the remainder of Yeltsin’s presidential term. The budget continued to decline to the point where, by 1996, the military could not even feed its troops, much less train them. Yeltsin preferred to give whatever scarce resources were available to the Interior Ministry, whose troops were charged with maintaining security inside the country. The economic crisis of 1998 only made matters worse. By the time Vladimir Putin became Prime Minister in the summer of 1999, the Russian military was on the brink of complete collapse.

A partial recovery

As it turned out, this was the nadir for the Russian military. The situation began to improve, albeit slowly, soon after Putin took over the country’s leadership. Its success in retaking Chechnya in 1999–2000 made it appear more effective, though this was brought about almost entirely through the use of massive force with complete disregard for civilian casualties among a population comprising Russian citizens. Initially, Putin was content to let the generals run the show. This changed after the public relations disaster of the sinking of the Kursk submarine, and especially the lack of candour in its immediate aftermath. Within a few months Putin appointed one of his closest confidants, Sergei Ivanov, to the position of Defence Minister and tasked him with developing a reform plan for the military. Ivanov was an outsider with a great deal of influence among the top civilian leadership, giving hope that major reforms could begin quickly (Pallin 2009).
Ivanov turned out to be a disappointment. He became involved in a long-term conflict with Anatoly Kvashnin, the Chief of the military’s General Staff, which lasted until the latter was fired in 2004 and the role of the General Staff in the Russian military structure downgraded. This meant that during the entirety of Putin’s first presidential term, the top brass devoted most of their energies to sabotaging the reform proposals that came from the Defence Ministry. Experiments in professionalising particular military units, such as the 76th Airborne Division, failed because of the efforts of Kvashnin and his allies. Professionalisation efforts continued, but were largely ineffective as long as Ivanov remained the Minister of Defence (Herspring 2006).

Putin and Ivanov did make progress in restoring financing for the military. As a result of improvements in the economic situation, the government was able to increase the defence budget by 25–30 per cent annually throughout Putin’s presidency. Although part of this increase was eaten up by inflation, it was nonetheless sufficient to allow the military to increase officers’ salaries, to make partial progress on the backlog of housing owed to staff, and to resume a reasonable training regimen. It was not enough, however, to rebuild the country’s aging collection of weapons and equipment. After the “lost decade” of the 1990s, by 2004 the military did begin to receive some new equipment, but in very small quantities. For example, from 1994 to 2003, the Russian Air Force did not receive any new combat airplanes. From 2004 to 2009, it received only three new combat airplanes – one Tu 160 strategic bomber and two Su 34 strike aircraft (Rastopshin 2009). Furthermore, because research and development was frozen during the Yeltsin presidency, the equipment that was procured was based on 1980s vintage Soviet designs, as no new designs were available. As a result, by the end of Putin’s presidency about 80 per cent of the Russian military’s equipment was considered out of date, with few prospects for a rapid modernisation. Nevertheless, improvements in training and material conditions had led to a much more hopeful mood among military commanders.

A radical break

On 14 October 2008, Defence Minister Anatoly Serdyukov announced that, over the next four years, the Russian military would undergo a radical restructuring. The main elements of the reform were to include the following:

- A cut in the total number of military personnel from 1,130,000 to one million, including a cut in the total number of officers from 355,000 to just 150,000. The General Staff would be particularly affected, with 13,500 of its 22,000 personnel positions slated for elimination.
- Remaining officers and contract soldiers would see a significant pay increase over the next four years. The hope is that this will help retain officers, aid in recruiting contract soldiers, and reduce incentives for corruption.
- Henceforth, all military units would be considered permanent readiness units and be fully staffed with both officers and enlisted soldiers. The previous practice of maintaining numerous units staffed only by officers would be eliminated. Prior to the reform, only 17 per cent of all units were fully staffed.
- The existing 140,000 non commissioned officers (NCOs) would be replaced by 85,000 professional sergeants trained over the next three years.
- The four tiered command structure would be replaced with a three tiered structure, with the brigade serving as the basic unit;
The military’s Main Intelligence Directorate (GRU) would be cut in size and subordinated directly to the civilian Defence Minister (it was previously under the control of the Chief of the General Staff).

Numerous overlapping military institutes and medical facilities would be consolidated.

This reform was made possible by the removal of many top military commanders at General Staff headquarters, including Chief of the General Staff Yury Baluyevsky, in the summer and early autumn of 2008. These commanders were replaced by generals sympathetic to Serdyukov’s reform agenda or beholden directly to the Defence Minister for their careers (Herspring and McDermott 2010).

These reforms amount to the complete destruction of Russia’s mass mobilisation military, a legacy of the Soviet army. Such a change was completely anathema to the previous generation of Russian generals, who continued to believe that the Russian military had to be configured to protect the country from a massive invasion from either Europe or China. This perception explains the military leaders’ reluctance, for two decades, to dismantle key aspects of the old Soviet army and, most especially, its vast caches of outdated and unneeded weapons overseen by an equally vast number of officers with very little battlefield training and no combat experience. These officers and weapons are the remains of an army designed to fight NATO on the European plains and have served no functional purpose since the end of the Cold War.

Reasons for the start of reforms

Although the high command was initially silent on the thinking behind the reform, information on the reasons that the process was initiated eventually started dribbling out. Ruslan Pukhov, the director of Russia’s Centre for Analysis of Strategies and Technologies, argued that planning for the reform began at the start of Putin’s second term as president, when top people in the presidential administration began to ask why, despite the increase in financing for the military, its effectiveness continued to decline. They decided that something needed to be done with the lack of transparency in the military financial system, which fostered widespread corruption. They also decided that Sergei Ivanov, Putin’s handpicked Defence Minister, was failing at his task of reforming the military and that the job had to go to someone from outside the “force structures”, someone who would not “treat the military as a shrine at which one should pray but as a broken mechanism, which he has been tasked with fixing” (Melnichuk and Toropov 2009).

But even with the appointment of Anatoly Serdyukov as Minister of Defence, it took several years to break the power of reform opponents and begin the process of radical reform. The August 2008 war with Georgia seems to have been the final straw (McDermott 2009). Nikolai Makarov, the Chief of the General Staff, spoke of the lack of pilots able to carry out missions in wartime and of his difficulty in finding top officers with sufficient battlefield experience to command troops during the conflict. Serdyukov took the task of “fixing the broken mechanism” very much to heart, in pushing through the reform plan without regard for the widespread opposition both in the military and among outside experts. In this he had the full support of both the President and the Prime Minister, as shown by his ability to prevent the 2008–09 financial crisis from derailing government financing for reform.

The counter-attack

The end of the mass mobilisation army contradicts the culture and interests of Russia’s military elite, who were educated to regard the Soviet army as a world-class military that could match any
adversary, including (and especially) the United States. For them, the transformation of the Russian military to a smaller and more mobile force, equipped to fight local and regional conflicts, primarily against insurgents and other irregular forces, is damaging to morale, prestige, and future funding. It was thus inevitable that they would resist these reform efforts at all costs.

Past reform efforts foundered because they were opposed by the military’s top leadership. As president, Vladimir Putin understood that military reform could not succeed unless the power of the generals was taken away first. He did this gradually, putting civilians in charge of the Defence Ministry and then breaking the power of the General Staff (Herspring and McDermott 2009). Once Baluyevsky and his immediate subordinates were replaced with Serdyukov’s supporters, the plan could proceed. But the intensity of resistance to reform among top generals was such that, even then, Serdyukov felt he could not publicly state that the ultimate goal of the reform was the elimination of the mass mobilisation army left over from the Soviet Union.

Immediately after the announcement of the reform programme and in the months that followed, traditionalist figures in the military and analytic community did their best to derail the reform. They were helped in this effort by the Defence Ministry’s poor handling of the roll out of the reform package. Rather than putting out a complete reform package, various aspects of the reform were announced piecemeal over a period of two months. These announcements usually did not take the form of official documents; reform measures were simply mentioned in speeches and interviews by top civilian and military officials such as Serdyukov and Makarov. Many of the details mentioned in the various speeches contradicted each other, and the extent and sources of financing for the reform were left unclear.

As a result, reform opponents did not have to focus on the substance of the reform and were initially content to criticise the various inconsistencies of and secrecy surrounding the programme. The majority of the substantive criticisms focused on fears that the government would not be able to provide officers forced to retire with the apartments that were legally guaranteed to them. This became a focus of reporting on the reform efforts, especially in the aftermath of the serious downturn in the Russian economy after the collapse of oil and stock prices in the late autumn of 2008. Analysts repeatedly stated that given the country’s budget deficit, it seemed virtually impossible for the government to build or buy the tens of thousands of apartments necessary to fulfil the obligations to retiring officers.

At the same time, some critics argued that, if implemented, the planned reforms would destroy the Russian army as a functioning military force. They argued that only a mass mobilisation army would be able to withstand an attack by China in the Russian Far East. In their analyses and interviews, these experts calculated the necessary size of the Russian military based on either the area of the Russian Federation or the length of its border. Given Russia’s size, this method allowed them to justify a numerically large army, though they never questioned why Russia would need to defend its land border with Kazakhstan or what role the military would play in protecting its vast interior land area.

Staying the course

Despite this criticism, the Defence Ministry’s civilian leadership has pressed ahead with their reform plans. Furthermore, both President Medvedev and Prime Minister Putin expressed their support for Serdyukov and his reform plans on several occasions in 2009 and 2010. In the first round of personnel cuts, several hundred generals and other senior officers were dismissed in the first months of 2009. The transition to a brigade-based structure commenced on schedule, with 46 of the 90 new brigades formed by the end of June. The rest were formed by 1 December. This
means that, as far as eliminating the mass mobilisation army is concerned, the point of no return has already been reached.

Serdyukov has continued to systematically remove opponents of the reform from their positions, including the heads of the medical service, the military housing agency, and the Navy’s chief of staff. The removal in April 2009 of Valentin Korabelnikov, the head of military intelligence, was particularly critical, as the GRU was traditionally independent of the Defence Ministry and was seen as the last bastion of opposition to Serdyukov’s reform programme.

At the same time, Russia’s financial troubles did have an impact on the implementation of reforms. In April, the relocation of the naval headquarters from Moscow to St. Petersburg was postponed, although it was put back on the agenda in early 2010. The deadline for reducing the number of officers was extended from 2012 to 2016, giving the government more time to arrange for apartments and to finance pensions for thousands of retirees. The two year programme to train up to 64,000 professional sergeants, which had been planned to start in February 2009, was delayed until September, likely because there was not enough time to recruit the requisite personnel or develop a training programme in time for a February start. This programme proved to be a failure, as only 239 of the 2,700 initial applicants qualified for the programme. As a result, its funding was almost entirely eliminated and it was replaced with a more traditional three–six month training programme for NCOs. The failure of this programme may prevent the widely rumoured elimination of conscription for the foreseeable future, as the military simply will not have enough manpower without conscripts, especially given the relatively slow pace of recruiting of contract soldiers (Russian Defence Policy Blog).

A new kind of army

Russian officials and analysts are gradually beginning to speak more openly about the changes in threat assessment that have accompanied the reform effort. As Pukhov stated, the political leadership finally recognised that the West, while not Russia’s friend, is also not Russia’s enemy, and Russia neither wants to nor is able to fight a war against it. Once they had recognised that neither the United States nor Europe was truly a military threat to Russia, they had to give up the notion that Russia had to be prepared to fight a global conventional war and begin to transform the Russian military into a force able to fight local wars in the near abroad (Melnichuk and Toropov 2009).

It has been difficult for the Russian leadership to announce this shift openly, because of the continued emphasis on anti Western (and especially anti American) propaganda as a way of distracting the population from domestic political and economic problems. Events such as the Zapad 2009 military exercise in Belarus, which was designed to simulate the defence of Russia and Belarus from a large scale invasion from the West, feed the continued perception that the Russian military views NATO and the West as a potential military threat. But given the structure of the newly reformed military, this is an illusion. The truth is that the Russian military of the future will not be capable of fighting a major war against NATO, but will have to depend upon its nuclear arsenal to deter against the possibility of such a conflict. Instead, the military will focus on improving its capabilities to fight against insurgencies and local adversaries – in other words the kinds of wars they have actually fought in the last 10–15 years.

The Russian military’s implicit new doctrine is to focus on developing a rapid response capability that will allow it to quickly counter potential small scale threats similar to those it faced in the August 2008 war with Georgia and to deal with potential insurgent attacks in the Caucasus
and elsewhere. The changes in organisational structure are designed to shift the military away from its previous focus on preparing to fight a large scale twentieth century style frontal war and towards the more open ended counter insurgency and rapid response warfare that represents a far more likely threat to Russia in coming years.

This change in focus meant rejecting the mass mobilisation army of the Soviet period and turning to a fully professional mobile army – one in which all units are fully staffed and where joint operations are the norm. To this end, once the transformation is complete, we should expect the complete elimination of conscription. While some reform opponents argue that this transition is going to destroy the army’s fighting potential, others argue that the damage from maintaining the current ineffective system would be greater than from any reform effort, as the current army is simply not able to fight.

Potential roadblocks

While many generals are openly or secretly opposed to the reform, they no longer present a serious threat to the reform effort. The most outspoken opponents of the reform effort have been removed from their positions over the last two years. Those who remain in the ranks understand that they can only preserve their careers if they keep quiet.

There may be more of a challenge from rank and file soldiers and especially junior officers, who fear that the reform will cause them to lose their jobs and do not trust the government to provide them with the housing they are owed when they leave the service. In fact, the provision of housing for retirees has been slowed by a combination of the financial crisis and unrealistic targets for building and acquiring new apartments.

At the end of 2009, official data from the Defence Ministry stated that 90,000 officers were owed housing. There was a plan to build somewhere between 45,000 and 60,000 apartments during 2009–10. But because of lack of financing, only slightly more than half of this target will be met in the allotted time frame. At the same time, the Finance Ministry increased funding for military housing acquisition for 2010 from 81 billion rubles to 113 billion rubles, with the goal of providing all retiring officers with housing by the end of 2011. While it is likely that there will be further slippage, as long as Russia’s financial picture improves, the target may well be met within the next three to four years.

A second source of problems for the reform plan is the collapse of the plan for a relatively rapid transition from conscription to contract service. In recent months, the military leadership has announced a roll back of the number of contract soldiers to be in the army in the near future, due to a lack of qualified candidates at both the sergeant and junior enlisted levels. Since starting this effort in 2003, the Russian military has repeatedly failed to meet recruitment targets. The initial plan called for 400,000 contract soldiers to be serving in the military by 2008, but only 200,000 had joined by that point. Problems continued as many contract soldiers abandoned the service before the end of their terms, complaining about being forced to sign contracts at the end of their period of conscript service by officers who had to meet recruiting quotas. Because of this failure, Makarov announced that conscripts will remain the core of the military for the foreseeable future, while contract soldiers will be limited to technical positions such as tank drivers, mechanics, gunners, and other specialists.

The problem is that without contract soldiers, there are simply not enough eligible men to serve as conscripts. To achieve the target of a one million man army, the military will need around 800–850,000 enlisted soldiers. Given the decline in the number of 18 year olds due to demographic trends, it is impossible to draft 400,000 men every six months. There are only about 900,000 18 year old men in the entire country. Of those, only about 300,000 can be inducted.
given current regulations. The only options are to increase the term of conscription to 18 months, to eliminate some of the 21 types of deferments that currently allow 60 per cent of 18 year olds to avoid conscription, or to reduce the size of the military to something like 750,000 soldiers and officers.

Given the political constraints on all three of these options, it is difficult to see how the military will solve its manning problem in the near term, given the continuing lack of popularity of military careers, its relatively limited financial means, and the continuing decline in the population of young people. In the longer term, as sergeants begin to graduate from training courses in 2011 and especially as the number of 18 year olds drops precipitously in 2012, the army is likely to return to its effort to hire professional soldiers with the eventual goal of a total elimination of conscription. To this end, salaries for professional soldiers and for junior officers will be raised by 2013 in order to make serving in the military more attractive and to increase retention.

**Problems with Russia’s defence industry**

The structural reorganisation part of the reform effort was completed by the end of 2009. The subsequent steps have been much less visible to the public, as officers and soldiers get used to working in the new command structure, while officers from eliminated units continue to be laid off gradually as housing and money for severance payments become available. There have also been a number of exercises, such as Kavkaz 2009, Ladoga 2009, and Vostok 2010 which were designed to improve the military’s ability to project force over long distances relatively quickly.

New equipment remains the missing part of the puzzle. While purchases of some big ticket items (such as the Mistral amphibious assault ship) from abroad might fill gaps, the military will not be able to afford too many foreign purchases. The only hope for the military to receive modern equipment to go along with their modern force structure is for Russia to revive its defence industry, which will require significant investment on the part of the government. Recent announcements about a significant increase in financing for the State Armaments Programme indicate that government officials realise that if they want to truly revitalise the Russian military, they need to make serious investments in new weapons and equipment.

They face a serious constraint, however, in this effort. The Russian defence industry has shown itself to be largely incapable of providing the military with high quality weapons, platforms and systems, despite the relative abundance of financing for military procurement over the last few years. But why hasn’t the money been spent on modernising plants and hiring experienced workers? One source of problems for the industry is that modernisation of these kinds of plants can only be carried out with secure government funding. While there is plenty of financing available for this, the problem is that while money for the coming calendar year is usually allocated in November, it doesn’t reach the intended recipient until the end of the third quarter (i.e. August–September). And not all recipients receive all of the sums they have been allocated. This uncertainty means that they cannot order new equipment until the money arrives. At this point, they are faced with a legal requirement to spend all allocated money in the current fiscal year (i.e. before December, as the fiscal and calendar years in Russia match). Since the complex and often unique equipment that is required for real modernisation to occur needs several months to be designed and built, it cannot be ordered in August–September (Miasnikov 2009).

But the money that is received must be spent on something, or else not only will it be lost, but the recipient is likely to receive a reduced allocation for the following year. So the money is spent on cheap standard equipment, which is not strictly needed for modernisation, but at least the
money is not going completely to waste. And the recipient can send in reports to the government stating that new technologies have been purchased, the percentage of new equipment at the factory has increased, etc. But in real terms, no actual modernisation has occurred (Miasnikov 2009). If this analysis is correct, the implication is that improvements in the state of the defence industry are impossible without changes in the financing process. The easiest path would be to relax the restriction that requires allocated financing to be used in the current year. That would allow recipients to order needed equipment whenever the money does arrive, without worrying about having their future allocations cut. This seems to be much more realistic than actually eliminating corruption or increasing administrative efficiency in the Russian government.

The future of the Russian army

Despite its continuing problems with manpower and equipment, the Russian military is currently poised for a potential revival. For the first time since Russia became independent, the civilian leadership has taken an interest in real military reform, rather than simply mouthing empty slogans that gave it cover while the military continued its gradual death spiral. The current round of reforms, beginning in late 2008, is forcing the military to adjust its doctrine and posture for the actual conflicts in which it might be asked to participate in the first half of the twenty first century, rather than continuing to prepare to fight the wars of the mid to late twentieth century. Having addressed the structural and doctrinal issues, the military now needs to focus on its problems with personnel and equipment. If these challenges can be addressed over the next five to ten years, the Russian army will be well positioned to ensure Russia’s security for the foreseeable future.

References


The Russo-Chechen conflict was a contingent development from the collapse of the Soviet Union, and the resulting wars were comparable in their intensity, destructiveness, and casualties to those of Bosnia and Tajikistan. The conflict began after the failure of the August 1991 putsch with a Chechen nationalist mobilisation for secession under former Soviet Air Force commander Dzhokhar Dudaev, who was elected president in late 1991. A failure to achieve a negotiated solution in 1991–94 which would have kept Chechnya within the Russian Federation led to Russian military intervention in December 1994. The war of 1994–96, followed by a second war in 1999–2003, caused widespread destruction to Chechnya’s modern infrastructure, the displacement of several hundred thousand civilians into camps in neighbouring Ingushetia, and many tens of thousands of dead and injured. The obliteration of the capital of Chechnya, Grozny, by Russian carpet bombing and shelling became one of the iconic images of post-communist conflicts. After Dudaev’s death in a Russian missile strike in April 1996, he was succeeded as president by his close associate, former nationalist turned Islamist Zelimkhan Yandarbiev, while former Soviet artillery colonel Aslan Maskhadov became commander of Chechen forces. They struggled to maintain a coherent united front against Russia due to the increasing influence of Islamist jihadist ideology and the growing presence of foreign jihadis operating under Al Qaeda. The jihadi influence was most pervasive over the forces of Shamil Basaev, a leading Chechen field commander. The conflict has also involved some of the most costly and shocking acts of terrorism in recent times, largely, but not solely, orchestrated by Basaev’s Al Qaeda affiliated group of fighters. A Russian military defeat in the summer of 1996 was only avoided by the negotiation of a truce – the Khasaviurt Agreement – between Russian vice president Alexander Lebed and Maskhadov. The Khasaviurt Agreement provided for the de facto independence of Chechnya, while postponing a final decision on de jure independence for five years. Maskhadov was democratically elected president of Chechnya in January 1997 and signed a formal peace treaty with Russian president Yeltsin in May 1997. Maskhadov, however, proved incapable of restoring political order internally or securing external legitimacy for the new state. Russia blockaded Chechnya, and failed to provide the reconstruction aid promised in the treaty, while Western powers muted their criticism of Russian excesses in Chechnya, preferring to support Yeltsin. The isolation of the Maskhadov government led to growing post-war lawlessness, kidnapping and warlordism in Chechnya, forcing Maskhadov into an increasing co-option of Islamists and the introduction of shari’ia as a means of achieving greater legitimacy and control. His inability to contain the jihadi element in the Chechen resistance under Basaev was demonstrated in August 1999, when Basaev led an armed incursion supported by the Al Qaeda commander Khattab into the Russian Federation, attacking former Chechen territory in Dagestan. The incursion provided a casus belli for renewed
military intervention by Russia. The second Russo Chechen war 1999–2003 was used as a pretext by then virtually unknown prime minister, former KGB colonel Vladimir Putin, to bolster his authority within Russian politics as Yeltsin’s chosen successor for the presidency. Calling the invasion a “counter terrorist operation”, he unleashed the Russian military in an even more unconstrained fashion than had been the case in the first war. Loosely copying NATO tactics in the Kosovo war of 1999 of relying on distant bombing, his bloody hammering of Chechen forces, regardless of the cost in civilian casualties and further material damage to Chechnya, proved extremely popular with Russian voters and Putin easily won the presidential election in March 2000.

The conflict in Chechnya is one of the significant factors that has seriously eroded the nascent Russian democracy of the early 1990s. The first war contributed to the debilitation and corruption of the Yeltsin presidency, and accelerated a process of state encroachment on newly won civil liberties and media freedoms. The second war was a platform for the launching and consolidation of the Putin presidency. The democrats refer to it as “Putin’s War” (Kovalev 2000, 12). The support for Putin in elections and polls shows that it is also very much a “people’s war”. Both wars were characterised by war crimes on both sides, with routine abrogation of the norms of war. Russia used its overwhelming military power systematically in an indiscriminate and disproportional manner, frequently resorting to torture, massacres, murder, kidnapping, and meting out collective punishments on civilians (Gilligan 2009). Parts of the Chechen resistance resorted to retaliatory acts of terrorism against Russian civilian targets, though their acts were seen by some as tarnishing the moral claim to secession itself (Sakwa 2003). No quarter was given to combatants as a norm. Putin’s ruthlessness succeeded in suppressing large-scale violent resistance in Chechnya by 2003–04, principally by a combined strategy of brutal counter insurgency and “Chechenisation” – co-opting a key element of the insurgents, the Kadyrovtsy, first under a Chechen regime led by mufti Ahmad Kadyrov, and then, after his assassination in May 2004, under his son Ramzan. This was a classic imperialist tactic of divide et impera. Putin ceded a measure of local power to the co-opted regime, while using the local proxies as a cover for some of the most brutal repressive policies, including torture, assassination, and “disappearances” (Hughes 2007). Such imperial strategies tend to exhibit short term success and long term failure.

Success in Chechnya facilitated Putin’s revolution within the Russian state, cowing the oligarchs who had been rampant under the late Yeltsin presidency, spreading FSB influence in politics, business, and society, and curtailing media freedoms and civil liberties. The revolution extended to a transformation of political behaviour and discourse in Russian politics, with its emphasis on order, loyalty, and control. Putin’s so called “dictatorship of law” enabled the restoration of a centralised power vertical in the rebuilding of the Russian state, and the crass demonisation of enemies within and without Russia. The hard man image extended into foreign policy, with Putin skilfully building personal ties with several key European leaders, and skilfully navigating international politics to re establish Russian interests vis à vis Europe and the USA which had flagged under Yeltsin. There remains, however, an ongoing small scale insurgency which has subsequently spread and threatens to destabilise much of the North Caucasus region.

The origins and causes of the conflict are contested. Explanations of the Russo Chechen conflict broadly fall within three categories.

### The “ancient hatreds” account

The idea that the Russo Chechen conflict is historically rooted in the Chechen experience of Russian and Soviet colonialism, and resistance to Russian conquest, oppression, and control, even
to the point of genocide in the 1944 deportation, has informed many of the most widely disseminated journalistic accounts produced in the late 1990s (Lieven 1998; Gall and de Waal 1998; Smith 1998) as well as several key academic interpretations (Dunlop 1998; Seely 2001).

Most of the academic and journalistic accounts of the post 1991 Chechen resistance to Russia exaggerate and romanticise the enduring pre-modern nature and “highlander” clan (teip) bonds of the organisation of contemporary Chechen society. Non-Chechen understandings of the role of clan in contemporary Chechnya are strongly influenced by the work of Soviet era anthropologists, which tends toward romanticised descriptions. Chechen ethnologist Mahomet Mamakaev, whose Soviet era academic studies invented the “clan” tradition in Chechnya, drew on Lewis Henry Morgan’s controversial studies of the Iroquois, a North American indigenous people, to apply “classic” markers of a hierarchy of kin lineages and clans. Mamakaev’s model has been widely and uncritically diffused by the work of Russian ethnographers in the 1990s. The myth of Chechnya as a “clan” society suggests that there are about 150 teips organised into about nine larger “tribal” groups called tuqums, all of which are based around extended kin networks.

Arutiunov suggests that Chechnya is a kind of “military democracy, e.g., like the Iroquois in America or Zulu in South Africa (sic) … In peacetime, they recognize no sovereign authority and may be fragmented into a hundred rival clans. However, in time of danger, when faced with aggression, the rival clans unite and elect a military leader” (Arutiunov 1995, 17). The Russian form of Orientalism is inextricably embedded in its nineteenth century colonial experience in the Caucasus and its “Golden Age” literature, including the works of Pushkin, Lermontov, and, most notably, Tolstoy. The latter two served long tours of duty as military officers in the Caucasus, and they fashioned the most imaginative and enduring of the romanticized metaphors for the Caucasus in Russian culture. In particular, Pushkin’s Kavkazskii plennik (“The Prisoner of the Caucasus”) and Tolstoy’s “moral” novel of the “Murid” war, Hadji Murat, seem to have framed many accounts of the conflict.

In contrast, recent research suggests that there is no sociological basis for the “clan” thesis in modern Chechen society, though not surprisingly there are strong social networks that are sometimes linked by kin, but more often the key political links operate through conventional and modern forms of patron–clientelism (Sokirianskaia 2005). Russian colonisation from the late eighteenth century weakened the traditional “kin” basis of the teip through military conquest, “pacification” and forced settlement of pastoral peoples, genocide, deportation, and commercialisation, thus forcing the Chechens into a more territorialized notion of “teip” identity. Consequently, the twentieth century notion of teip is largely a reconstruction of Russian nineteenth century military colonisers and bureaucrats interested in establishing a conservative social order to enhance imperial control (Dettmering 2005). Russian ethnographers have also been divided, with some lambasting the “ethnographic romanticism” and “reification of Chechenness” and arguing that there was a secular “Soviet” identity in Chechnya prior to the beginning of the conflict in 1991 (Tishkov 1997, 186–87; 2004, 219–24). If teip ever did communicate a direct social connection as the basis for politics, this was destroyed by a century of social upheaval and fragmentation resulting from Russian colonisation in the mid-nineteenth century, Tsarist and Soviet modernisation, in particular state policies of industrialisation and secularisation, the Bolshevik Revolution, and collectivisation, culminating in the genocidal deportation of the Chechen people in 1944 for alleged mass collaboration with the Germans. It has been argued that the deportation was genocidal, killing as many as 100,000, mostly the very young and the very old, and indelibly marked Russo-Chechen relations with bitterness thereafter (Dunlop 1998). Much less attention has been paid to the social transformative effects of the deportation, since it wiped out a generation of older people, where the values of traditional society

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were strongest, thereby facilitating a Soviet secular modernisation of Chechnya after the return from exile.

During the Soviet oil industry expansion of the 1950s and 1960s there was a further influx of Slavs, mainly Russians, primarily technical specialists, who concentrated in the capital, Grozny, which was a major oil pipeline terminal, petrochemicals centre, and trans shipping point on the Baku–Novorossiisk pipeline. According to the 1959 census, Slavs, mainly ethnic Russians, made up half of the population of Checheno–Ingushetiya. Perhaps, as in Crimea, there was an expectation by Slavs that the deportees would not be allowed to return. By the 1979 census the Slav element of the population had fallen to around 30 per cent. Between 1979 and 1989 there was a dramatic demographic shift, caused by the return of the Chechens from Central Asia and by an explosion in the birth rate of Chechens benefiting from the Soviet welfare state. This accelerated a trend for “return” (obratnichestvo) to Russia by ethnic Russians, who appear to have been disconcerted by the demographic shifts. Consequently, by the time of the 1989 census, the population of about one million was dominated by younger generations, who were thoroughly Sovietised, secularised, and urbanised (about half the population lived in towns, and one third of the population lived in Grozny, where about 55 per cent identified themselves as “Slav”). Equally, the census revealed an exceptionally high retention of the Chechen language, with 98.79 per cent of all Chechens citing Chechen as their first language.

If the historicist account had purchase, one would expect that there would have been some acts of violent resistance, and revenge after the return from exile. Certainly, the Soviets retained a profound mistrust of Chechens. This was reflected in the exceptional arrangement of the power structure in the republic after its restoration in 1957. The conventional Soviet arrangement was carefully crafted to ensure centralised control, subdue nationalist tendencies, and guarantee Slav ethnic dominance. The norm was for a dyarchy of native first secretary and Russian second secretary, with the latter usually in charge of cadres. Unusually in Chechnya, however, the CPSU was dominated by Russians at senior levels: the obkom secretary, one of the three “third” obkom secretaries, seven of thirteen obkom bureau members, all the leading positions in obkom departments, about 47 per cent of the obkom committee membership, and even the first secretaries of the major city party committees (Grozny and Gudermes) and most districts (67 per cent) (Rywkin 1991, 137–38). No ethnic Chechen was appointed obkom secretary until 1989, when the “second” secretary Doku Zavgaev was appointed to the top post – by which time the Soviet system was disintegrating. While the arrangement of Soviet power in the republic was exceptional, Soviet policy was typical in that the indigenous elites were cultivated and co opted into the Soviet nomenklatura, and the main societal goal that was promoted was upward social mobility and consumerism. The ethnic Chechen nomenklatura elite, like Zavgaev, tended to be recruited from the lowlands steppe districts, which were the most modernised and Russified part of Chechnya, and in particular the areas of Nadterechny (Above the Terek) and its main town Znamenskoe, lying to the northwest of Grozny. Soviet era modernisation and secularisation led to the emergence of new mutually reinforcing territorial, socioeconomic, and political cleavages along a north–south territorial axis. Intra Chechen politics from the early 1990s are noteworthy for the absence of any substantive use of “clan”. Chechen political groups and networks are ideological, territorial (based around village of origin), or personalistic. One of the key ideologists of Chechen nationalism in the late 1980s, Yandarbiev, described political “clans” as patron–client networks and named them accordingly – “Zavgaevtsy”, “Khadzievtsy”, “Arsanovsky”, and so on (Yandarbiev 1996, 108). The dominance of the Russian backed “Kadyrovtsy” in Chechnya since 2003 is another manifestation of this kind of clientelism. On the “Chechen” side, the major elite cleavages were not only political (between anti and pro secessionists), but also regional and sociological. The elites of Nadterechny and Grozny continued to exhibit a collaborationist
tendency in relations with Russia after 1991. The rural highland region of the south of Chechnya is where anti-Russian sentiment has been historically strongest, but its inaccessible mountain forest terrain is also where the retreat of state institutions as a result of the Soviet collapse was felt most. It is also ideal country for guerrillas to operate from and provides a natural heartland for insurgency.

The evidence for interpreting the Russo-Chechen conflict as a sociological "kulturkampf" between a secular modernising Russia and a backward, traditional Chechen society is weak. If despite the contentious periods in Russo-Chechen relations after the 1917 revolution and after the deportation in 1944 until the return of Chechens in 1957, there was a prolonged period of stability and Sovietisation of Chechnya under Brezhnev, what importance should we attach to the legacy of periods of historical antagonism? The question is whether we should view the historical episodes of the colonial era as having an ongoing hold over Russo-Chechen relations, or as providing a pool of symbolic referents that could be selectively recovered to assist the nationalist mobilisation in the specific context of 1990–91. After all, historical revisionism and its referents played a crucial role in the nationalist mobilisations across the Soviet Union and Eastern Europe, so this was not a uniquely Chechen affair. The argument that the legacy of historical antagonism continues to resonate in the contemporary conflict is embedded most coherently in the second category of explanation — that which focuses on the "Islamic" factor.

The "global jihad" frame

The contemporary conflict is seen as a serious fissure in a wider cultural conflict that was articulated in an essentialist form by Samuel P. Huntington’s vision of the clash of civilisations. Huntington framed Chechnya as a “fault line” war on the basis of events in the period 1991–95 — a view that was readily endorsed by Russian politicians, analysts, and commentators. The Caucasus is a key fissure line in the Huntington map of the world between the Islamic and Orthodox Christian spaces, with the former being incompatible with Western values while the latter is antithetical to Western liberal democracy (Huntington 1993; 1996, 252–58). Huntington distinguished “fault line” conflicts from other forms of “communal war” in two key respects: first, they are conflicts defined by religion; and second, they share a propensity for “internationalisation” through the involvement of external kin countries, groups, and cultural entities. Huntington held that Chechnya was an “intercivilisational”, “fault line” war. It was a conflict for control of territory that involved “ethnic cleansing” and shared the “prolonged duration, high levels of violence, and ideological ambivalence of other communal wars”. His evidence for this drew substantially on his reading of journalistic sources such as The Economist, the New York Times, and the Boston Globe. Such reasoning about Chechnya and other conflicts led Huntington to some of his most controversial claims, most infamously the assertion that Islam is the most conflictual and antagonistic of the eight “civilisations” that he identifies, that there was a “Muslim propensity toward violent conflict”, and that “Islam’s borders are bloody, and so are its innards” (Huntington’s italics). Huntington’s conclusions about Islam were partly derived from quantitative data on conflicts, in particular, the data in Ted Gurr’s studies of the ethno-political conflicts of the early 1990s which demonstrated a correlation between conflict and Islam. Huntington’s thesis is that these conflicts are being driven by an antagonism originating from Islam.

There is little evidence for categorising the conflict in Chechnya in “civilisational” terms for the period in which Huntington developed his thesis, the first half of the 1990s. Rather, Huntington and other scholars and journalists have tended to project a historicist interpretation on to the contemporary struggle between Russia and Chechnya, viewing the conflict that developed in the early 1990s as part of a continuum of Islamist resistance reaching back to the
Russian colonisation of the nineteenth century. In the early years of the conflict with Chechnya, in 1991–93, Russian leaders framed the conflict not in “civilisational” terms as a struggle with Islamists, but rather as a contest with secessionists (see below). It was only long after Russia’s military invasion of Chechnya in December 1994 that Russian leaders began to extend the framing of the conflict to include the “Islamic factor” and even borrowed elements of Huntington’s “civilisational” framing device. In his memoirs, Yeltsin blamed the conflict on both Dudaev’s attempt to secede from the Russian Federation and his goal of creating an “Islamic republic” (Yeltsin 2000, 54). More recent Russian academic studies of Russian policy in the Caucasus acknowledge that the claim that there was an “Islamic national project” in Chechnya at the beginning of the 1990s was a “myth” (Malashenko and Trenin 2002, 73). Much of the focus on the “Islamic factor”, consequently, came from a concern with the growth of Islamic radicalism in Chechnya as a result of the first Russian–Chechen war in 1994–96.

This perspective has strengthened in the post 9/11 era as part of the framing of the US led “global war on terror” – a framing which Putin has encouraged as a means of further demonising the Chechen resistance internationally. The Chechens and Ingush are Sunni Muslims of the Hanafi School, a form of Islam that spread from the Abbasid caliphate (present day Iraq) and that was accommodating of the role of local custom in Islamic law. Sufism, a form of Islam based on orders or traditional paths of mysticism (tariwakeqta), and organised into brotherhoods (wertsk), became embedded in Chechen society contemporaneously with the turmoil of colonisation and resistance in the middle of the nineteenth century. Historically, two orders of Sufism were of importance in Chechnya: the Naqshbandiia order, which fused religion and politics to frame the resistance to Russian colonialism in terms of a “holy war” (ghazavat) against the Russian infidels, and the more mystical Qadiriia order. Anti colonial uprisings in this period were often led by Islamic religious leaders, imams, who were not only local spiritual leaders but also military commanders in the resistance. The Chechen Sheikh Mansur who led the revolt against Russia in 1785–91, and the Avar Shamil, who led the “Murid” revolt against Russia in the 1840s, were adherents of the Naqshbandia order. Shamil’s jihakmacrod, moreover, was driven by both the goal of expelling the Russians, and also that of purifying and spreading “true” Islam and building an Islamic society based on Shar’ia (Zelkina 1999, 2002). This history of colonial resistance in Chechnya is widely viewed as a critical foundation that shapes the present day struggle for Chechen independence and the growth of Islamist fundamentalism across the North Caucasus.

The use of Islamic and traditional symbols associated with the resistance struggles of the nineteenth century are seen as indicative of an unbroken direct connection with that era. Dudaev, the first president of secessionist Chechnya, placed a print of Mansur in his presidential office. Some Chechen leaders, such as Dudaev’s vice president Yandarbiev and the senior military commander and then president Maskhadov, took to regularly wearing the papkha (a traditional lambskin hat worn by Chechen elders). Whilst Dudaev occasionally wore the papkha, he preferred secular dress. As frequently he wore a Soviet style Khrushchev era trilby or homburg hat and preferred the Soviet Air Force pilotka cap. By 1994 Yandarbiev and Basaev were bearded, but Dudaev and Maskhadov remained un bearded throughout the first Russo–Chechen war, and the latter developed this symbolic feature of Islamisation only as the second war developed from late 1999. These were outward symbols of a secular leaning versus religious leaning divide within the Chechen secessionist movement. By the mid 1980s Islam was in a state of decline in Chechnya as a result of Soviet oppression and secularism. There were just six official mosques, staffed by no more than 20 mullahs. The end of communism led to a surge of interest in ideas that had previously been suppressed, including religion. Growing religiosity across the post communist space in the early 1990s was largely transitional and for the most part was a symbolic affiliation at a time when identities were in flux. In Chechnya the growth in religiosity was
reflected in the new found influence of religious leaders, such as Ahmad Kadyrov, mosque attendance, the public articulation of Islamic references, and performance of the Hajj, which had been severely restricted under communism (Dudaev, Yandarbiev, and other Chechen leaders performed the Hajj in 1992). Simple symbolic gestures such as these led Western and Russian politicians, journalists, and scholars to readily demonise the nationalist movement in Chechnya as “extremists” who were intent on the creation of an Islamic state (German 2003, 31).

The emergence of jihadist ideology within the Chechen resistance was gradual. The most susceptible element was undoubtedly that commanded by Basaev. He had organised and led (with Russian support) an “Abkhaz” battalion of Chechen fighters to fight for Abkhaziya against Georgia, and for Azerbaijan against Armenia in 1992–93. From a concern about the plight of fellow Muslims, Basaev appears to have crossed the threshold into jihadism by the summer of 1994, prior to all out war with Russia, when by his own admission he led a group of his fighters to undertake training in Khost in Afghanistan, then a major centre for the nascent Al Qaeda. Yandarbiev began to refer to Basaev with the jihadi title “amir” (commander) in late 1994. The Al Qaeda connection to Basaev’s forces was strengthened in 1995 with the arrival in Chechnya from Afghanistan of Khattab, a Saudi subordinate of Osama Bin Laden, and an indeterminate number of well trained Arab jihadis formed into an “Islamic International Brigade”. Khattab was appointed to important military command and training posts by Dudaev. Khattab’s principal connection, however, was with Basaev. He became Basaev’s deputy commander and chief advisor. From this period on Al Qaeda provided personnel, material, and financial support for Islamist resistance in Chechnya, but the true scale of this support is not substantiated with evidence. From the latter 1990s, in particular during the second war from 1999, the jihadi presence dominated the information war from the Chechen side, with websites being employed to distribute videos of attacks, news briefs, and statements. These websites were also a means to connect the local Chechen jihad with the global one. Russia invested much time and effort in exaggerating the scale of Islamist extremism, and later Al Qaeda’s involvement, often using Western journalists and academics as channels for dissemination. Equally, the Islamist element in the Chechen resistance was able to tap into a sophisticated Al Qaeda international network which was media savvy, trained in the use of new media technologies, and quickly grasped the importance of the internet to promote their cause. These factors undoubtedly exaggerated the role of the jihadi element over the nationalist in the armed resistance to Russia.

The jihadi element in the resistance was pivotal in two key respects. First, the pretext for the second war – the armed incursion into Dagestan – was a major turning point which gave Russia the opportunity to reassert its sovereignty over Chechnya, and that was provided by a joint Basaev/Khattab operation. Second, the “dirty war” in Chechnya was characterised by excesses on both sides, but it was Basaev’s group which was the main instigator of acts of terrorism against Russian civilians. It was only in 1998 that Bin Laden had incited jihadis to engage in indiscriminate terrorist attacks – irrespective of the combatant or non combatant distinction – and he even claimed in the immediate aftermath of the 9/11 attacks that terrorism was a means of revenge and retaliation (Bin Laden 1998; 2001). Basaev’s orchestration of terrorist attacks pre dated this. Often they were organised as suicide attacks. The most notorious attacks include those on the maternity hospital at Buddenovsk in 1995, the Dubrovka theatre siege in Moscow in October 2002, and the hostage taking at the Beslan primary school in North Ossetiya in September 2004 which left over 300, mostly children, dead. Uncertainty remains as to Chechen involvement in the bombings in Moscow, Volgograd, and Buinaksk in September 1999 which Putin used to justify the invasion of Chechnya. However, Basaev was also a skilful and charismatic guerrilla leader who played a leading role in some of the decisive Chechen victories over Russian military forces, including the
annihilation of the armoured column that entered Grozny in December 1994, and the encirclement of Russian forces in Grozny in July 1996 in “Operation Jihad” which led to the Khasaviurt Agreement. Basaev’s group also expanded the theatre of its operations to encapsulate what he termed the North Caucasus “Caliphate”, and inflicted heavy casualties on Russian forces in Ingushetiya in September 2004 and Nalchik, the capital of the Republic of Kabardino Balkariya, in October 2005.

Following the killings of Khattab (March 2002), Maskhadov (March 2005), and Basaev (July 2006) in FSB operations, terror attacks have continued to be a feature of the smaller scale Chechen resistance to Russia. The main Islamist resistance group is currently led by Doku Umarov, a Soviet era oil field technician, who returned to Chechnya in 1991 to join the national revolution. His group has claimed responsibility for several recent terrorist attacks, including the bombing of the Moscow–Petersburg Nevsky Express, used by members of the business and political elite, in November 2009, and the female suicide bomber attacks of March 2010 on a Moscow metro station located near the Lubyanka headquarters of the FSB.

Projecting back from the post 9/11 period, some scholars have linked Chechen resistance to Russia from the early 1990s to the Al Qaeda inspired global “jihad” movement (Hahn 2007). Some suggest that “thousands” of foreign jihadis went to Chechnya (Kepel and Milelli 2008, 288). In fact, there is no evidence for an Islamist or Al Qaeda connection prior to Basaev’s trip to Khost in 1994 and the arrival of Khattab in 1995, and the numbers of foreign jihadis in Chechnya was most likely in the hundreds. The most plausible explanation is that there was a drift to Wahhabist and Salafist jihadism among some sections of the Chechen resistance during the first war, which grew and strengthened in the late 1990s and came to dominate the resistance movement during the second war beginning in late 1999. Jihadism was strengthened in Chechnya as a reaction to the brutality of Russia’s policies and the indifference of the Western powers (Hughes 2007). Osama Bin Laden’s public references to Russia’s actions in Chechnya have never assumed the level of vitriol reserved for the USA. He began to include Chechnya in his public statements only in 1995–96 when he justified the global jihad by reference to the “slaughter” and “massacres” of Muslims here and elsewhere (Bin Laden 1995, 17). The reference to the genocidal acts against Muslims, including in Chechnya, became an established Al Qaeda theme from his “Declaration of Jihad”, and featured also in his defence of 9/11 (Bin Laden 1996, 25; 2001b, 136–37). In a 1998 interview Bin Laden noted that “hundreds” of foreign jihadis had fought in Chechnya (Bin Laden 1998). The evidence suggests that the growth of the jihadi dimension of the conflict in Chechnya occurred after the first war was well under way. When Basaev referred to Chechen terror acts against Russian civilians during the second war as revenge for Russian terror, he was reflecting what was by then a well honed Al Qaeda theme about the killing of innocents being religiously and logically justified as revenge and reciprocity in jihad (Bin Laden 2001a, 117–19).

**The dynamics of conflict: from nationalism to jihad**

In the late 1980s an anti-communist “mobilisational cycle” for democratisation and national self-determination spread like a tide in Eastern Europe and Eurasia, evoked by Gorbachev’s liberalisation policies (Beissinger 2002). A Chechen nationalist movement emerged from the secular academic association “Kavkaz” (Caucasus) which spawned dozens of “informal” groups as the USSR imploded in 1988–91. The “informal groups” mutated into the more obviously nationalist “Popular Fronts”, beginning in the Baltic States, which demanded independence under the slogan of “sovereignty”. In this period, Chechen nationalists, as with nationalists elsewhere in the USSR,
were inspired by and imitated the Popular Front nationalism of the Baltic States, which was secular and Western oriented, but, like many of the nationalist movements outside the Union Republic level, they are much under studied.

The two leading figures of the Chechen nationalist movement in this period, Yandarbiev and Dudaev, were great admirers of the democratic secular nationalism of the Baltic “Popular Fronts”. The views of Yandarbiev, a teacher, poet, and member of the Russian Writers’ Union, who was assassinated by Russian military intelligence agents in Qatar in February 2004, are emblematic of how secular nationalism gradually mutated into a radical form of Islamism as a result of the violent conflict with Russia from late 1994. This shift is clearly revealed in the two collections of writings that he published: the first mostly drawn from works written or published in 1989–92, and the second from works written or published in 1994–95 (Yandarbiev 1994, 1996). Yandarbiev was a leading founder of the nationalist Bart (Unity) Party in July 1989 in what was then the Soviet autonomous republic of Checheno–Ingushetiya. Yandarbiev was first and foremost a Chechen nationalist but he also developed an ideology for a regional Pan Caucasian secular ethnic nationalism (Kavkazskost’), framed in anti Soviet and anti colonialism rhetoric, which he at tempted, rather unsuccessfully, to spread by organising the first Congress of Mountain Peoples of the Caucasus in late August 1989. Basaev’s “Abkhaz” battalion of 1992 should also be understood as a fusion of the nationalist ideology of Kavkazskost’ of that time with a concern for the treatment of fellow Muslims.

Yandarbiev and his opposition group represented a generational as well as ideological challenge to the nomenklatura leadership of Checheno–Ingushetiya under the regional party secretary Doku Zavgaev. Zavgaev was a strong supporter of a reconstituted USSR, successively supporting Gorbachev’s failed efforts in this regard, and ultimately backing the putschists in August 1991. In 1990–91, as communism collapsed and the USSR began to implode, Yandarbiev intensified the drive for an independent Chechnya. In March 1991 he established the Vainakh Democratic Party (VDP), with the express goal of achieving independence. The emphasis on nationalism as opposed to Islam is clear from the proceedings of the first Chechen National Congress (CNC), which was convened on 23–26 November 1990 – formally sponsored by the Zavgaev leadership. About 1,000 Chechens and several members of the Chechen diaspora in Turkey and Jordan attended the gathering in Grozny. The event marked the beginning of what became known as the “Chechen national revolution”. Yandarbiev and a number of close associates (including Movladi Udugov and Sait Khassan Abumuslimov) led a VDP takeover of the organisation. Following CNC resolutions the Supreme Soviet of the Chechen–Ingush Republic approved a declaration on “State Sovereignty” on 27 November 1990. This declaration was, in fact, one of the last in the so called “parade of sovereignties”. Chechnya’s first significant statement of a nationalist agenda was, therefore, very much in line with the declarations made by the most Western oriented nation alsms of the USSR, those of the Baltic States, and focused on the moral legitimacy of the claim to independence through the principle of national self determination, and underpinned this claim by reference to the historical injustices perpetrated by the Soviet Union and Russia (Muzaev 1995, 159–60).

The emergence of Dudaev as leader of the nationalist movement was also inspired by Yandarbiev. Although he was born in Chechnya in 1944, just prior to the violent Soviet deportation, Dudaev was raised in Kazakhstan and never lived in Chechnya until late 1990. While he retained a working knowledge of the Chechen language, his first language was Russian. He was thoroughly Sovietised by a military career which had seen him join the CPSU in 1966, marry a Russian military officer’s daughter, and serve with distinction against the Mujahideen in Afghanistan in the 1980s. His conversion to nationalism and the idea of an independent Chechnya came about as a result of his observations of the rise of the Estonian nationalist
Popular Front as commander of the Soviet nuclear bomber base at Tartu – one of the epicentres of nationalist resurgence in the USSR in the late 1980s. Dudaev was elected leader of the executive committee of the CNC in December 1990, but, as the recollections of his wife and others make clear, Islamism played no role whatsoever (Dudaeva 2002, 63–64). His advantages as leader lay in his military authority and experience, and the respectability, discipline, and organisational skills that he could bring to the CNC, but he was also not contaminated by association with the nomenklatura networks within Chechnya. Dudaev returned permanently to Grozny to lead the executive committee of the CNC in March 1991, and accelerated the drive for independence.

Dudaev, Yandarbiev, and other nationalist leaders at this time were driven by a secular vision of nation state building. He rejected “colonial freedom” or any other “hybrid” version of sovereignty, and demanded a treaty with Russia that would legally recognise Chechnya’s national independence. Dudaev initially formed a tactical alliance with Beslan Gantemirov, the Mayor of Grozny, who was a former Moscow based criminal boss turned leader of the “Islamic Path” party, whose militia formed a hard core of the new National Guard. But this was an Islamic party in name only and Gantemirov later went over to the Russians. At this time there was no significant Islamist presence in Chechen politics. In fact, the nationalist revolution in Chechnya after the August putsch could not have succeeded without the direct support of the new Yeltsin government in Moscow, including the speaker of the Russian parliament Ruslan Khasbulatov (an ethnic Chechen). The capacity of Dudaev’s nationalist movement to assert independence was boosted when Yeltsin declared a state of emergency in Chechnya and ordered local Russian military garrisons to arm and support the nationalist forces (Splidsboel Hansen 1994; Tishkov 1997). This military capacity was further substantially increased when the Russian Military General Staff in 1992 surrendered (or possibly sold) large Soviet era military stocks based in Chechnya, which included huge quantities of infantry weapons. Dudayev’s general arming of the male Chechen population in late 1991 and early 1992 led to an escalation of social disorder and abuses. Many of those armed were unemployed highlanders who were now denied the opportunity of seasonal work in Russia. Anti Russian sentiment led to a spontaneous ethnic cleansing of Russians, who did not have kin or clientelist protections. A decade long process of Slav emigration was suddenly accelerated in 1991–92 as some 90,000, about one third of the total number living in Chechnya, were forcibly expelled or left, and most of these were critical for the proper functioning of the state social sector, and the oil and petrochemical industry (Tishkov 1999, 585–86).

The international post communist zeitgeist of the period 1989–91 saw nationalist movements in Eastern Europe, the USSR, and Yugoslavia legitimise the assertion of independence through the democratic expression of national self determination. Positioning Chechen nationalism within this broader movement, Dudaev called presidential and parliamentary elections in Chechnya in October 1991. The fairness of the elections was disputed, but according to official Chechen sources Dudaev was elected president of Chechnya with 85 per cent of the vote on a 77 per cent turnout, and, even allowing for vote rigging, most observers accepted that Dudaev was the clear winner (Dunlop 1998, 114).

Once in power Dudaev showed little interest in employing Islam as an ideological, legitimising, or directional force for state building. Indeed, in the early stages of the conflict between Russia and Chechnya, Russian politicians from Yeltsin down framed the issue as a problem of “separatism” caused by a seizure of power by “bandits” and “criminals” – a stereotypical idiom with racist undertones that was initially formulated by Yeltsin’s vice president, the Russian militarist nationalist Aleksandr Rutskoi. Russian propaganda demonised Dudaev’s government as “terrorist”, and compared it not with radical Islamic regimes but with Panama’s
former ruler General Noriega. Dudaev and his ministers responded by embedding their claims to secession within anti-Russian rhetoric, though focusing on the critique of Russian colonialism.

It has been claimed that the Russo Chechen conflict was an “oil war” (Said 2007). There was undoubtedly an “oil” subtext to the conflict, but just how important this was is debatable. Chechnya was a minor oil producer within the Russian context, but its output would have underpinned its independence. In 1993 its production was some 1.25 million tons (less than 1 per cent of Russia’s total output), though this fuelled a vibrant black economy in illicit oil trades that crossed the conflict divide. Only a tenth of that volume (120,000 tons) was pumped through the Russian pipeline traversing Chechnya from Azerbaijan. Rather, Russia perceived an independent Chechnya to be a geostrategic threat to its dominance of Caspian energy and its capacity to fend off the escalating Western penetration into the region, which was demonstrated by a Western consortium’s “deal of the century” with Azerbaijan over Caspian oil in September 1994.

Dudaev’s decrees and policies after the formal declaration of independence and his assumption of the presidency on 1 November 1991 through to the Russian invasion of December 1994 reveal his regime to be a not untypical post-colonial secular nationalist state-building project. Dudaev’s overwhelming concern was to achieve recognition of Chechnya as a sovereign state, primarily from Russia but also internationally. Having defeated chaotic Russian military interventions in November 1991 and summer 1992, he sought recognition from the key Western secular powers, not Islamist regimes. The collapse of the USSR was treated by the international system according to the legal norms devised for decolonisation, notably the principle of *uti posseditis juris* – but this accorded recognition only to the former Union Republics of the USSR. Potential for international influences on the early negotiation of a peaceful resolution to the Russo Chechen conflict were sacrificed to the national interests of Western governments in supporting the reformists under Yeltsin and demarcating Chechnya as an “internal” matter for Russia. Over the next three years of negotiations with Russia on the status of Chechnya, Dudaev consistently grounded Chechnya’s right to independence within international law and a Soviet constitutional legal framework as revised in the last years of Gorbachev’s rule to give republics the right of secession.

Dudaev viewed religion instrumentally as a unifying force that would assist state-building and the construction of a national identity. As a military commander, not surprisingly he was also sensitive to the need for the reestablishment of social order and discipline, and aimed to use Islam among other religions for this purpose. Moreover, there was an understandable desire to rejuvinate religious life in Chechnya, which after all had been suppressed for decades under Soviet occupation. Most importantly, he attempted to harness the authority of religious elders in support of his regime. His efforts to unify the factionalised religious establishment in 1991–92 floundered. When Chechnya became embroiled in a civil war between Dudaev’s secessionist presidential administration and a more moderate parliament that was willing to compromise with Russia in the spring of 1993, the religious establishment, including the Muftiate, sided with the parliament against Dudaev (Muzaaev 1995, 165–66).

Many Russian and Western observers have exaggerated the role of Islam under Dudaev, based on a small number of seemingly iconic facts such as that he swore his presidential oath on the Qur’an. Yet Dudaev also swore on the Qur’an before the Chechen parliament that he would not waver from the national independence struggle. It is logical for a nationalist leader to mobilise forces around ideas that have popular legitimacy, and such topoi were a natural response to independence from Russia, which brought freedom to express national identity, and an increased consciousness of locating that identity in the wider world. Contacts with the Chechen diaspora
and the Islamic world, including not only the largely secular states such as Turkey and Jordan, but also the more proselytising states such as Saudi Arabia, intensified the search for a post Soviet identity, but there is no evidence that Dudaev promoted an Islamic state building project, even as some of his closest political associates, such as Yandarbiev, were reinventing themselves as Islamists.

Dudaev presided over the drafting of a new constitution for Chechnya, which was approved by the Chechen parliament in March 1992. The Chechen constitution was a standard model of a secular nationalist constitution (Konstitutsiia chechensoi respubliki 1992). The preamble states that the constitution is guided by the “idea of humanism”. Article 1 states: “The Chechen Republic is a sovereign and independent democratic law based state, founded as a result of the self determination of the Chechen people.” Article 2 affirms: “The people of the Chechen Republic are the only source of all power in the state.” Many aspects of the constitution would not look out of place in any other constitution informed by the ideals of secular republican nationalism. A fact finding mission conducted by the well respected London based NGO International Alert, published in October 1992, declared: “Chechen society is characterized by a remarkable degree of political openness and freedom of expression” (International Alert 1992). Even the new official symbol of the Republic, the wolf couchant under a full moon, was un Islamic, supposedly created by Dudaev’s Russian wife Alla from traditional Chechen animism. The separation of the state and religion was affirmed in Article 4, and the constitution provided for complete freedom of worship and opinions. An examination of the 60 presidential decrees, four acts, and 47 orders in the critical period of state building following the revolution and the promulgation of the new constitution in 1992 reveals no attempt by Dudaev to Islamise Chechnya’s state structures or public life, and his secular vision of state building was set out in a long treatise published in April 1993 (Hughes 2007, 65–8).

The transition from secular nationalism to Islamisation of the resistance to Russia that developed gradually in Chechnya from the mid 1990s came about mainly as a result of the radicalising experience of military conflict with Russia from 1994. The formal constitutional shift from secular nationalism to Shar’ia in Chechnya, however, occurred only under president Maskhadov’s rule in 1998–99, and Article 4 was amended to make Islam the official state religion only in February 1999. We can identify several factors for the changed nature of the conflict. For some of the more radical Chechen field commanders, like Basaev, the ideological pull of jihadism actually predated the Russian military attack of December 1994, and the death of Dudaev (and later Maskhadov) removed moderating nationalist constraints on his orientation. Second, the attraction of jihad as a countermovement to Chechen secular nationalism increased exponentially with disillusionment within the Chechen resistance with the “West”, in particular the United States and the EU, which, rather than support Chechnya’s bid for democratic national self determination, tolerated or sympathised with Russia’s brutal policies of repression. Even though there were periodic criticisms of Russia’s “excessive” use of force in Chechnya, an indelible mark on the reputation of the West among Chechens was left by President Clinton’s absurd comparison of Boris Yeltsin and Abraham Lincoln quelling secessionists.

Bin Laden’s interest in Chechnya (as with Bosnia) as a front in the strategy to globalise jihad came after the first war had started. During the second war, and after 9/11 facilitated the Russian demonisation of the Chechen resistance as part of the “global war on terror”, Maskhadov often derided the presence of “international terrorism” in Chechnya as an “invention”. However, the superior capacity of Al Qaeda to communicate in the informational war exaggerated the role of its affiliates in the conflict in Chechnya, while the use of terrorist shock tactics by the jihadi element attracted most media attention. The infusion of jihadism into the conflict from the middle of the
1990s was principally the result of a radicalisation of the protagonists as a consequence of the transformation from political to violent conflict. The radicalisation of the Chechen resistance in particular is closely correlated with the escalation of Russian military force and its brutally indiscriminate and disproportionate use against civilians during the war of 1994–96. Consequently, the conflict in Chechnya is a dynamic one, where the key causes, motivations, and protagonists have changed over time. For Chechnya is a powerful example of how violence becomes part of the structuring mechanism shaping the radicalisation of political conflict and, in particular, the shift from nationalism to jihad.

**Chechenisation and the Kadyrov regime**

The policy of Chechenisation is an enduring feature of Russia’s strategy since 1991. The proxies of the 1990s – Zavgaev, Avturkanov, Khajiev, Gantemirov, and others – could not match the authority of the secessionist leaders. During the second war Russia also devised a strategy to “turn” resistance fighters into loyalist proxies, and formed two Chechen paramilitary units, the “Vostok” (East) Battalion, and the “Zapad” (West) Battalion, both of which consisted mainly of former resistance fighters. Putin found a credible collaborator when Ahmad Kadyrov, a religious leader in the resistance movement, decided to support Russia in late 1999. Kadyrov may have been motivated partly by personal ambition and partly by a concern with the desperate condition of the Chechen population under arbitrary Russian military occupation. His vocal criticisms of the Wahhabi influence on the resistance had caused a rift with Maskhadov, who had removed him as Mufti in August 1999. Kadyrov surrendered to Russian forces and was appointed by Putin to head the pro-Moscow Chechen civil administration on 12 June 2000. Russia resorted to electoral fraud to secure the passage of a referendum on a new constitution for Chechnya held in March 2003, which affirmed Russian sovereignty over Chechnya, and gave Kadyrov victory in the presidential election of October 2003. Putin offered to give Chechnya, under Kadyrov’s leadership, “autonomy in the broadest sense of the word” within the Russian constitution (Putin 2003). Putin’s Chechenisation policy was threatened by the assassination of Kadyrov in May 2004, which seemed to demonstrate the fragility of a policy that was founded on one Chechen leader. However, the Chechenisation strategy switched to pivot around the so-called Kadyrovtsy, a paramilitary group about three thousand strong, under the command of Akhmad Kadyrov’s son Ramzan. As Putin rejected any compromise of conditional independence proposed by Maskhadov, and sought to eliminate the moderate leaders of the resistance, he promoted the career of Ramzan Kadyrov, making him acting prime minister and then prime minister. He allowed the Kadyrovtsy to expand into a fully fledged paramilitary formation of the “death squad” type, operating under the guidance of the FSB. According to Russian human rights NGO investigations, members of the Kadyrovtsy have been responsible for many of the acts of kidnapping, “disappearances”, and terrorising of families of resistance fighters, which have undoubtedly subdued the resistance (Memorial Human Rights Center 2006; 2010). International investigations by the Parliamentary Assembly of the Council of Europe have also severely criticised human rights abuses in Chechnya, most recently declaring that the Kadyrov regime nurtures a “climate of pervading fear” (PACE 2005; 2010). Ramzan Kadyrov replaced interior ministry general Alu Alkhanov as president in February 2007 by a decree of Putin. The appointment was a formality since Kadyrov had been Russia’s main political partner in ruling Chechnya since 2005. Human rights activists inside Russia, and Western critics of the Putin regime, have claimed that the impunity of the state agencies in abusing human rights has now extended beyond Chechnya to other regions of Russia itself. They attribute the murder of several leading oppositionists to their criticisms of Putin’s Chechen policy and Kadyrov, including...
journalist Anna Politkovskaya in October 2006 and Memorial Human Rights activist Natalia Estemirova in July 2009.

The Kadyrovtsy are the key element of Russia’s policy of “terrorising the terrorists”. Ramzan Kadyrov’s approach of mixing brutality towards those fighters who persist with the resistance, and especially against their relatives, with leniency for those who surrender (often re-employing them in his own forces) has been an effective instrument for containing the insurgency. Putin regards Kadyrov as central to Russia’s policy in Chechnya. Both also cleverly manipulate domestic and international revulsion at jihadi terrorist attacks to distract attention from the human rights abuses and brutality of counter insurgency.

If Russia is to secure the longer term political stabilisation of Chechnya, it must rebuild the socio-economic fabric of the country, including such basic essentials as housing, health, education, and employment. The scale of the task is colossal. By 2002 the war had made one third of the population (about 300,000 persons) displaced persons inside and outside Chechnya, not one of Grozny’s 4,664 apartment blocks was intact, and 32,000 private houses were categorised as either badly damaged or destroyed (ReliefWeb 2002; Borisova 2002, 12). Health and ecological problems, in particular mental health, post traumatic stress syndrome, TB, and industrial chemical pollution of the water supply, are major problems. Most observers agree that there have been aspects of significant transformation in Chechnya under Kadyrov. Putin and his successor as president, Dmitry Medvedev, have funded major reconstruction efforts in Chechnya from Russia’s budget, swollen by oil and gas revenues over the last decade. Corruption undoubtedly blunts much of this effort. The chief accountant of the Audit Chamber, Sergei Ryabukhin, found that almost $700 million dollars in 2003 and about $600 million in 2004 was lost in financial violations. Russia currently finances at least 90 per cent of the budget of Chechnya, which is almost wholly dependent on imports from other regions for industrial and consumer goods and energy. The 2010 budget for Chechnya, with an official population of just over 1.2 million, was just over $1.8 billion. Chechnya is, by far, the most fiscally privileged of the North Caucasus republics, its budget exceeding by many times those of its neighbours (Dagestan, with its official population of 2.7 million, received less than $1.6 billion; Kabardino Balkariya, with a population of 890,000, received $650 million; and North Ossetiya, with a population of 700,000, received $400 million). While Russian statistics are notoriously unreliable, there is wide recognition that the socio-economic problems in Chechnya are incomparable. Chechnya has a registered unemployment rate of about 60 per cent compared with approximately 4–6 per cent in the other republics mentioned above. However, despite the huge budget and the claims about reconstruction under Kadyrov, in 2010 only 19,600 square metres of housing space was built in Chechnya, whereas in the same period Dagestan built 154,800 square metres of housing, Kabardino Balkariya built 31,900 square metres, and North Ossetiya built 48,400 square metres. (www.minregion.ru). Much of the funding provided by the federal budget probably is absorbed by the rampant corruption in both Moscow ministries and in Ramzan Kadyrov’s circle, whose indulgence in material excess is by now legendary.

Visitors, from Western journalists to politicians, have been impressed by the speedy rebuilding of downtown Grozny, and the restoration of some semblance of economy and society despite the arbitrary rule and abuses of human rights. Ironically, the Islamisation of Chechnya despite Russia’s secular constitution has proceeded apace under Kadyrov. As prime minister Kadyrov built the largest mosque in Europe in Grozny, and established a Centre for Spiritual and Moral Education to spearhead the introduction of Shar’ia law measures. Koranic teaching has been promoted in schools, and alcohol and gambling are banned. Kadyrov himself frequently wears the prayer cap (taqiyah), though he is rumoured to be a notorious party goer and collector of guns, exotic animals, and supercars, and a keen

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horse racing enthusiast. Women’s rights, in particular, have been curtailed as the wearing of headscarves has been imposed in public places, and honour killings and polygamy defended personally by Kadyrov.

Whereas Russian leaders and Kadyrov regularly and emphatically declare that the insurgency has been defeated, the routine of ongoing attacks suggests otherwise. A report by the Memorial Human Rights Center in 2010 observed that while the federal forces inflicted significant damage on insurgents in the first half of the year, and the insurgents’ coherence as a fighting formation seemed to be jeopardised during the summer by internal factionalisation over the leadership of Umarov, who first resigned and then reclaimed the leadership, there has been a recovery of insurgent activity in the second half of the year. The persistence of the insurgents was demon strated by a well organised attack on Kadyrov’s patrimonial fortress village of Tsentoroi in August (Memorial Human Rights Center 2010). In early October 2010 Kadyrov addressed several hundred specially screened delegates at a world Chechen Congress in Grozny, called to counter a similar diaspora opposition event convened in Warsaw in September. Kadyrov appealed for unity, declaring that “Chechnya is living in peace and harmony” and disingenuously invited diaspora resistance leaders to return from exile. Little more than a week later, resistance fighters launched a surprise suicide attack on the Chechen parliament, killing several people. Open social protest broke out for the first time in many years in early November when there was a mass wildcat strike by workers for the state construction firm Spetsstroi who had not been paid for four months. Anecdotal evidence suggests that there is a drip feed of young unemployed and disgruntled Chechens heading for the forests to join the insurgents.

The insurgency is today less violent than in other neighbouring republics, but Chechnya remains de facto under Russian military occupation and emergency rule, which cannot but highlight the puppet nature of the collaborationist Kadyrov regime. This fact, as much as Kadyrov’s own arbitrary rule and the abuses of the Kadyrovtsy, prevent his regime from accumulating popular authority and credibility. The routine insurgent attacks make a mockery of Putin’s claim in April 2002 that the “military stage of the conflict can be considered to be completed” (Putin 2002).

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Part III

Political economy
This chapter presents an overview of Russian economic policy and performance since 1992, with a view to highlighting the ways in which Russia’s politics today are shaped by the legacies of both Soviet central planning and the policies pursued since 1992. To be sure, many factors have contributed to the evolution of post Soviet Russia’s political economy – factional, ideological, geopolitical and conjunctural – but the central argument of this chapter is that much of the explanation for the peculiarities of Russia’s post Soviet development is structural. While press coverage and public discussion have largely focused on conflicts between the Kremlin and big business and rivalries among elite political “clans” around Yeltsin, Putin and Medvedev, a deeper understanding of Russia’s political economy requires an examination of the interaction between state capacities and Russia’s industrial structure.

The Soviet legacy

When Russia embarked on its market transition in January 1992, it still lacked many of the attributes conventionally associated with statehood. It had neither its own currency nor control over its borders, and it was unable to perform such basic functions as tax collection. Sub national governments openly defied the centre, while central bureaucracies were in turmoil. Moreover, many of the institutions inherited from the Soviet Union were singularly ill suited to the needs of Russia’s market transition (Tompson 1997). Russia was thus remarkably ill equipped for the challenges of economic governance, and this largely predetermined some important policy choices (Mau 1996). State weakness was aggravated by the political fragility of the government itself, which could claim no real popular mandate for its programme. President Boris Yeltsin’s election victory and opposition to the August 1991 putsch had given him unrivalled authority, but his mandate was one of opposition to the Soviet state and the Communist Party rather than support for radical market reforms.1

If the weak state was one key conditioning factor during the early stages of post Soviet reform, the economic structure inherited from the Soviet Union was the other. While the immediate focus was on the economic conjuncture – particularly spiralling inflation (even before prices were freed) and collapsing output – the more intractable problem was that the new state had inherited an industrial structure that was overly concentrated, almost comically inefficient in its use of resources and excessively oriented towards defence and heavy industry. Much of the industrial capital stock was virtually worthless in any environment dominated by the market rather than
planners’ priorities. Yet industrial managers continued to wield enormous influence over both macroeconomic policies and, in particular, the course of privatisation (Roland 1994).

An unusually large share of Russian industrial production is generated by sectors that are capital intensive and characterised by both a high degree of asset specificity and significant economies of scale. Such sectors tend to be subject to very high barriers to entry and exit, and are generally dominated by a small number of large companies. These companies tend to be very demanding vis-à-vis the state: their size means that they are likely to be politically powerful and their asset specificity is likely to make them relatively inflexible – faced with changing circumstances, they will find it difficult to adapt and will therefore lobby the government to adjust its policies in order to support or protect them. This made it particularly difficult for national or regional governments to resist their demands for support when the transition got rough, especially in places where, as was often the case, a single enterprise constituted the core of the local economy. The social and political costs of rejecting managers’ demands were potentially too serious. The other feature of Russia’s industrial structure that was of decisive importance was and remains its reliance on primary natural resource sectors – oil and gas above all, but also metals, precious stones and forestry. These were the industries that benefited most from the market transition, because their output had been systematically under-valued by central planners, for both ideological and practical reasons. When prices were freed, these sectors therefore benefited from an enormous positive terms of trade shock vis-à-vis the rest of the economy. The struggle to control them thus became one of the central political contests of the next two decades.

This situation made for a political problem: someone must own these large, demanding and influential industrial companies, in whatever sector they might be. Russia’s reformers were in principle committed to privatising most of the industrial capital stock in order to create the foundations for a market economy. The question was: to whom to privatise, and how? Where the state’s administrative, extractive and regulatory capacities are weak – as they were in Gaidar’s Russia – state leaders may fear exploitation by private owners, whom they will find difficult to govern. They may also fear “state capture”. If the polity is insufficiently robust, conflicts among domestic private owners could prove difficult to contain and might even be destabilising – as, indeed, they proved to be in Russia during the 1990s. Yet foreign domination of leading sectors may be seen as politically unacceptable to local elites, particularly where natural resources are concerned. As we shall see, Russia’s rulers are still wrestling with this dilemma.

The Yeltsin decade

I have sketched the initial conditions of Russia’s transition to the market at some length, because they influenced so much of what followed. The story of the Russian economy in the Yeltsin era is the story of an ambitious attempt at rapid, wholesale system replacement by a government – or, to be more precise, a series of governments – enjoying limited political support and presiding over an extremely weak state. Political and administrative weakness is central to understanding the uneven progress of reforms in the 1990s. In a nutshell, reforms that enjoyed the support of influential vested interests and made limited demands on the administrative capacities of the state proceeded rapidly. Thus, substantial, though by no means complete, liberalisation of prices and foreign trade was implemented fairly swiftly. By 1991, Soviet managers were in any case doing everything possible to evade both price controls and the state monopoly on foreign trade, and it is doubtful whether even the most determined cabinet could have re-imposed wide ranging controls and ensured supplies of goods at official prices in sufficient quantities for the system to have any credibility. Privatisation, too, proceeded rapidly, if chaotically, but only after substantial concessions were made to enterprise insiders (particularly managers). Foreign participation in the process,
moreover, was severely limited. The story of macroeconomic policy was broadly similar. Bolstered by substantial external financial support, the authorities were able, for a time in the mid 1990s, to curb inflation by relying chiefly on exchange rate management – an approach that made few demands on state capacities, as long as the Bank of Russia was prepared to sell dollars and buy rubles at its target exchange rate.

Numerous formal and informal mechanisms were employed for the privatisation of state property in Russia, ranging from vouchers to leased buy outs to investment tenders to the controversial loans for shares scheme of the mid 1990s. Running through all of these methods and, indeed, through most of Russia’s subsequent privatisation experience as well, were the predominance of insider (mainly managerial) interests and the closely related determination to limit foreign access to the most attractive assets. While there was much discussion of the insider oriented bias of voucher privatisation, the truth is that insider interests tended to predominate no matter what mechanisms were used. This was even true of loans for shares: with one exception, all of the loans for shares privatisations were insider oriented deals. Some firms purchased their own shares (giving managers de facto control), while others were acquired by banks that had already established close ties to their managers. Most simply lobbied their way out of the scheme altogether.

By contrast, reforms stalled when they brought the government into conflict with powerful entrenched interests or made excessive demands on the administrative capacities of the state. Increasingly, Russia fell victim to the trap identified by Hellman (1998), as incomplete early reforms created winners who were able to profit from the “transition rents” generated by partial reform and therefore impeded further change. Price and trade liberalisation, for example, stalled after the initial “big bang”, largely because the distortions generated by the remaining price and trade controls generated arbitrage opportunities for those with the right connections. Similarly, the initial insider oriented voucher privatisation process established a pattern of strong insider control that distorted subsequent privatisation policies and created impediments to enterprise restructuring and the creation of an effective market in corporate control (Roland 1994). Political and administrative weakness ensured that a host of other structural reforms, from electricity to banking to competition policy, stalled. State weakness also undermined macroeconomic policies, since the government proved unable to put its own finances in order. While it was possible to reduce inflation temporarily on the basis of monetary policy alone, progress could not be sustained without fiscal consolidation, which involved political and administrative challenges that the shaky governments of the 1990s could not meet.

The results of this decade of uneven reform and stop–go stabilisation policies were not happy. Recorded output declined in every year through 1996, before rising slightly in 1997 and falling again in 1998, when the country experienced a financial collapse and a severe output contraction. The fragile macroeconomic stabilisation of 1995–98 was never underpinned by the micro level structural changes needed to render it sustainable without massive infusions of external financial support. In particular, the authorities proved unwilling to impose hard budget constraints on large firms, which continued to receive substantial implicit and explicit subsidies. To say this is not to minimise the significance of the external shocks that hit Russia as the Asian crisis spread in 1997–98 or to downplay the importance of the drop in oil prices. The point is rather that the lack of structural and fiscal reforms greatly increased Russia’s vulnerability to external developments. On the official data, real GDP in 1999 was down 43 per cent on a decade earlier. In reality, the output decline was probably rather smaller than it appeared, but there was no doubt that the Russian economy had shrunk substantially over the decade. While household consumption fell less than output, indicators of living standards and human health and well being deteriorated dramatically. Poverty and income inequality both rose sharply.
This combination of half-finished market reforms and insider privatisation also facilitated the emergence in the 1990s of a new, highly politicised business elite. For the most part, privatisation did not constitute the basis of this new elite’s fortunes. Rather, it was the ability to exploit the distortions created by unfinished market reforms that lay at the root of many of the most spectacular fortunes accumulated in the early 1990s. This wealth, and the influence it brought, then enabled the new rich to manipulate privatisation processes, often acting in concert with insider managers and government officials. The result was perhaps Yeltsin’s most politically problematic legacy to his successor, Vladimir Putin: the small group of politically powerful tycoons known colloquially as “oligarchs”.

The economy under Vladimir Putin

When he came to power in 2000, Putin faced an array of daunting economic challenges, but he did at least take office with the economic wind at his back: the ruble devaluation combined with a subsequent recovery in oil prices kick-started growth in early 1999, the first real recovery in Russia since the Soviet economy had entered its terminal crisis at the end of the 1980s. Yet the benign external environment was not the whole story: in 1994, the same combination of factors—a weak ruble, cheap domestic energy prices and relatively high export prices for oil—had failed to prevent a 12 per cent drop in GDP and a 20 per cent fall in industrial production. The economy’s response to developments in 1999 was in large measure a product of the reforms of the preceding years. Enterprises could and did seize the opportunities provided by the new external environment in a way they had not five years earlier.

While memories of the collapse eventually faded during the decade of growth that followed, it would be difficult to exaggerate the importance of this crisis for understanding economic policy in the early years of the Putin era. Economic policy during Putin’s first term as president came to rest on three pillars: careful exchange rate management, fiscal consolidation (including debt reduction) and the implementation of a range of micro-level structural reforms that were needed to complete the basic legal and organisational infrastructure of the new market economy. The two latter priorities—fiscal consolidation and structural reform—both required the reconstitution of the policy-making and administrative capacities of the state. Thus, if the first decade of Russia’s transformation had seen the destruction of the socialist system and the unleashing of market forces, then the second was concerned largely with the reconstruction of the state. This involved more than simply the recovery of capacities eroded in the 1990s, for Russia at the turn of the millennium did not merely need a stronger state; it needed to develop new capacities for a kind of economic governance unknown in the Soviet period. Effective capacities to tax, regulate and engage in rule adjudication mattered far more than the ability to command, control or coerce.

During 2000–03, then, the government seized the opportunity provided by a combination of economic recovery and political stability to pursue a number of important structural reforms, embarking on a major restructuring of the electricity sector, an overhaul of the pensions system and reform of the railways. New tax, land, labour and customs codes were adopted, as well as new laws on joint-stock companies, bankruptcy and money laundering. A package of laws designed to reduce bureaucratic interference in businesses’ activities brought about a limited but nevertheless palpable improvement in the business climate. After years of delay, the government and the central bank stepped up the pace of banking reform. Finally, an overhaul of the judicial system resulted in the adoption of new codes of procedure for the various courts, eliminating some gaps and contradictions in legislation that had often facilitated the abuse of judicial processes. To be sure, implementation of much of the new legislation was extremely uneven, owing to the weaknesses of the state administration and the courts, but both managerial surveys and investors’
behaviour left no doubt that the contracting environment was growing much more stable and predictable.

Unfortunately, while Putin’s second term saw broad continuity in macroeconomic management, which remained fairly prudent, the pace of structural reform decelerated significantly from early 2004. Increasingly, the focus of policy overall shifted towards ensuring stability and security, and oil fuelled growth reduced the sense of urgency about structural change. The reform record of Putin’s second term was modest indeed. In general, the implementation of measures legislated during 2000–03 continued, albeit at uneven rates, but little was done to advance the remaining major items on the government’s structural policy agenda. Some earlier initiatives were even watered down or quietly shelved, despite an economic and political context that should have facilitated reform. Efforts to strengthen the institutions of the market were de emphasised in favour of measures aimed at defining a rather more active direct role for the state in economic development. Many initiatives entailed greater state activism in spheres like health, education and infrastructure, where the case for public intervention was clear (even if the effectiveness of the measures adopted was not), but there was also a marked trend towards expanding state ownership and direct intervention in “strategic” sectors such as oil, aviation, power generation equipment, automobiles and finance, as well as mass media.

To be sure, the government continued to stress its commitment to further privatisation and to economic development based on private entrepreneurship and competitive markets; individual acquisitions were consistently explained as “one off” events dictated by the specific circumstances of particular companies or sectors. Each was in some way exceptional. Yet the overall scale of the expansion was remarkable. At the end of 2003, the state held about 11 per cent of the voting shares in Russia’s 20 largest companies by market capitalisation. Three years later, the figure was over 40 per cent and rising. After 2007, the trend waned somewhat: there were no major acquisitions from the autumn of 2007 until the onset of the financial crisis, at which point a number of state owned banks did acquire control of troubled financial institutions. Perhaps surprisingly, though, the Kremlin did not – as some had feared – use the crisis to acquire further large industrial holdings in “strategic” sectors.

While the growth of the state was most pronounced in oil and gas, the expansion of state ownership encompassed a wide range of sectors, many of which would be hard to call “strategic”, even on the most elastic understanding of the word. There was also a wide variation in the circumstances that prompted the state or state owned companies to expand their holdings. While the government initiated or supported some of the acquisitions as part of explicit industrial policies, cash rich state companies were behind much of the activity – sometimes over the objections of leading ministers but apparently with the implicit backing of officials in the Presidential Administration. The legal and political onslaught against the oil company Yukos was, of course, the most visible and controversial sign of the shift towards greater state control (Tompson 2005a). The Yukos case remains unique as an instance of straightforward, judicially administered expropriation, but it would be difficult to argue that the state paid fair market value for its other new acquisitions. Many assets changed hands after their owners came under mounting regulatory, legal and political pressure. Thus, while the methods employed were generally softer than the heavy handed tactics used against Yukos, they would be hard to reconcile with any respect for property rights. Successive re nationalisations proved neither cleaner nor more transparent than the prior privatisations.

It would be a mistake to see this expansion of the state as proceeding according to some well defined plan – different groups appear to be pursuing different agendas, often in competition with one another. However, the process was neither random nor chaotic: there was a coherent approach towards resource sectors, where the Kremlin clearly wished to reassert itself. As noted
above, the question of who was to own industrial assets raised difficult issues for Russia’s weak governments in the 1990s. By the early 2000s, Putin and his colleagues had concluded that the solution chosen by their predecessors – privatisation to domestic owners – was no longer acceptable. Putin arrived in power determined to reassert the authority of the state and, in particular, to strengthen the presidency. This could not be done without disciplining the unruly “oligarchs”. Given the weakness of both the legal order and the state’s administrative and regulatory capacities, there was an obvious temptation to rely on coercion and direct control rather than on regulation and taxation. And since foreign ownership continued to be regarded as unacceptable, state ownership remained the only feasible solution for those assets that could no longer be entrusted to private owners.13

The general context was also favourable to state expansion. By 2003, the once bankrupt Russian state had both the cash and the coercive capacity to acquire what it wanted, and private owners were unpopular and widely regarded by the public as illegitimate, which made them particularly vulnerable to official pressure. Moreover, Russia’s rulers were anxious to pursue ambitious development goals very rapidly, growing increasingly impatient of indirect methods of economic governance such as regulation, and wary of the uncertainties involved in reliance on market based solutions (Newton 2010). For politicians in a hurry, direct intervention offered a degree of (apparent) control and certainty about outcomes that reliance on markets could not. Moreover, until mid 2008, the unfolding oil boom ensured that the resources needed to fund all manner of initiatives were never wanting. All this, then, made for an environment in which a large number of state actors had the means, the motive and the opportunity to extend the state’s control over important industrial and financial assets.

These arguments about economic structure and state capacities should not be taken to imply that ideology, “clan” politics, geopolitical calculations or rent seeking do not matter. They clearly form an important part of the story. As Remington (2008) observes, the expansion of state ownership and control during Vladimir Putin’s second term occurred against the backdrop of a process whereby the Kremlin used an ever expanding array of commercial and fiscal activities of the state to reward its supporters and strengthen its hold on the economy – not least by installing close associates of the president at the head of an ever growing array of state corporations. The creation of a large number of new state owned companies and other “development institutions”, the so called “priority national projects”, and a host of other distributive policies pursued during Putin’s second term all – whatever their other merits – served to extend still further the potential patronage resources that could be used to solidify the Kremlin’s authority and strengthen United Russia’s hegemony over the party system.

If this chapter is correct in arguing that structural factors such as those outlined above underlie the recent expansion of state control over the economy, then it follows that the process is unlikely to be reversed for some time. While the political conjuncture could change quickly, the underlying structure of the economy will evolve far more slowly. It is thus significant that the latest large scale privatisation plans, unveiled in the summer of 2010, concerned sales of minority stakes only. The government planned to retain majority control of every company involved. The state is not yet ready to surrender the “commanding heights” of the economy.

The global crisis of 2008–09 and its aftermath

Prior to the global downturn, Russia had enjoyed a decade of growth that had seen a doubling of real GDP, a threefold rise in real wages and a halving of both the unemployment and poverty rates. Windfall commodity revenues were a huge source of domestic demand growth during the period to mid 2008, fuelling a consumption boom and contributing to the emergence of real estate
bubbles in some cities, as well as the very rapid accumulation of debt by households and corporates. Increasingly, growth was concentrated in non-tradable sectors, as the extraction sector lost momentum in volume terms and manufacturing struggled to maintain competitiveness. The authorities, it must be said, were aware of the dangers presented by the spectacular commodity price increases of the mid-2000s and of the structural weaknesses that remained to be addressed. Macroeconomic policy was largely focused on insulating the domestic economy from oil price fluctuations to a significant extent, not least by saving a large share of the windfall revenues generated by very high oil and gas prices. However, the scale of this fiscal sterilisation failed to keep pace with the flood of export revenues into the country, largely because little was done to sterilise the windfalls resulting from very high prices for non-oil commodities (OECD 2006; 2009).

The severity with which the global financial crisis hit Russia nevertheless came as a shock to the authorities and most outside observers. When the crisis erupted, Russia appeared well placed to weather it. Even after oil prices peaked in mid-2008 and growth began to slow, few anticipated a sharp contraction. External and fiscal balances were healthy, and commodity prices, though down from their peaks, remained at relatively high levels by historical standards. The accumulated fiscal reserves saved during the boom years stood close to 16 per cent of 2008 GDP, giving the authorities plenty of scope for financing anti-crisis measures. As late as October 2008, the government expressed confidence that Russia would remain an engine of global growth. Others agreed: the consensus growth forecast for 2009 did not turn negative until February of that year, well after the contraction had actually begun. The downturn was as dramatic as it was unexpected. Real GDP growth, which had averaged 7 per cent per annum in 1999–2007, turned negative from the third quarter of 2008 and fell by a staggering 9 per cent in (seasonally adjusted) quarter/quarter terms in January–March 2009. Though sharp, the recession also proved to be relatively short. Growth resumed in the third quarter, and about half the 11 per cent peak to trough decline in output was recovered by the end of the year. Most indicators pointed to continued robust growth in early 2010, and wages and salaries soon surpassed the pre-crisis peak recorded in September 2008. While unemployment was slow to fall, the crisis induced rise in unemployment had been relatively limited, especially given the magnitude of the contraction.

The recession was the product of a series of internal and external shocks hitting the economy within a short period (OECD 2009). First, international commodity prices collapsed. The international price of Urals crude fell from just under $140 in July 2008 to just over $32 the following December. Gas prices followed, as did the prices of metals, coal and lumber. Second, investors’ growing risk aversion and the deterioration in sentiment towards emerging markets hit Russian borrowers hard. This trend was common to many emerging markets, but its impact was amplified in Russia by renewed concern about the security of property rights and perceived arbitrary government interference in business, as well as the short war with Georgia. Third, the deceleration of bank lending depressed domestic demand. Finally, these developments triggered a sharp fall in the stock market. This contributed to, and was aggravated by, the need for many highly leveraged shareholders, who were using stocks as collateral for loans, to meet margin calls. This provoked more selling and created a vicious circle of falling prices and forced sales.

While Russia’s relatively quick return to growth owed much to the recovery of global trade in general and commodity prices in particular, the authorities must be given some credit for preventing a more protracted downturn. When the crisis first began to affect Russia, they moved rapidly to shore up the banking sector, and they resisted downward pressure on the ruble, allowing enterprises and banks to acquire foreign exchange for debt service without suffering major losses. The government also administered a massive fiscal stimulus—equivalent to around 13 per cent of 2008 GDP and spread over the period 2008–10. Other aspects of the policy response,
however, were more troubling. Like many countries, Russia succumbed to pressure for \textit{ad hoc} protectionist measures in the face of the crisis,\textsuperscript{15} but the more serious problem was the extent to which the response to the crisis focused overwhelmingly on highly concentrated industrial sectors and on support for large firms in particular. The anti-crisis plan adopted in 2009 allocated nine times as much money for direct support to business as it did to increasing assistance to the unemployed (via higher unemployment benefits, retraining and active labour market programmes). Moreover, the largest share of direct support to business was targeted at specific industries – and, in most cases, specific companies; only 45 per cent was of a general nature (Guriev and Zhuravskaya 2010). Only 5 per cent of the resources devoted to anti-crisis measures were allocated for small business support (Simachev et al. 2009).

**Russia and the “resource curse”**

The crisis and its aftermath highlighted once again Russia’s continuing dependence on primary commodities. In 2008, primary products accounted for 85.4 per cent of total exports, of which oil and natural gas constituted the largest share (69.7 per cent), followed by metals and precious stones (13.2 per cent). Machinery, equipment and vehicles accounted for just under 5 per cent. Moreover, the fuel and energy sector’s share of federal budget revenues had reached 43 per cent.\textsuperscript{16} Of course, resource sectors loom far larger in Russia’s export structure than they do in the structure of GDP or employment – the oil and gas sector together account for around 20 per cent of GDP and roughly 1 per cent of employment – but they have been crucial to growth since 1999. The direct contribution of the oil sector to GDP growth has been relatively modest since the growth of oil output slowed in 2003 (OECD 2006), but the impact of oil price movements on the economy is amplified not only by the explicit link between oil and gas prices but also by the very high correlation between oil and metals prices. Altogether, oil price increases are estimated to account for up to half of Russia’s growth during the decade between the crises of 1998 and 2008 (Guriev and Zhuravskaya 2010). Revenues from resource exports have been particularly critical in driving the growth of service sectors, most of which were severely underdeveloped or even nonexistent in the Soviet system, owing to planners’ obsession with physical production. Sutela (2009) concludes that most Russian growth has been driven by the shift of resources from inefficient heavy industries to modern service sectors, whose growth was greatly accelerated by the flow of commodity windfalls into the domestic economy.

Russia’s energy dependence poses a number of problems. A large body of empirical research suggests that countries endowed with great natural resource wealth tend to lag behind comparable countries in terms of long run real GDP growth, a finding that has given rise to widespread debate about a so-called “resource curse” or a “paradox of plenty”.\textsuperscript{17} Explanations of the resource curse focus on a wide range of economic and political factors, including the impact of resource wealth on the competitiveness of other tradables (“Dutch disease”); the impact of commodity price volatility, particularly on fiscal revenues; and the interaction of commodity price volatility with financial market imperfections, which can lead to inefficient specialisation.\textsuperscript{18} Resource dependence also looms large in any discussion of structural reforms, as resource dependent development can complicate efforts to build new institutions (Tompson 2006). The Russian authorities have long been aware of these dangers, but, despite their efforts to use fiscal policy to shield the domestic economy from the consequences of commodity price movements, the Russian economy in the run-up to the crisis showed many signs of succumbing to these economic and political pathologies. Finally, given Russia’s population and human capital endowments, a flourishing non-resource urban sector is likely to be crucial to long term social and political stability. Russia can never become a “northerly Kuwait” (Sutela 2005; 2009). Its resource sectors
alone will never provide an acceptable standard of living for the great mass of the population, even if one makes very aggressive assumptions about both future resource prices and Russia’s ability to increase resource extraction. This points to the need for diversification in directions that will create more high-productivity employment, without which it will be difficult to reduce extremely high levels of income inequality and reduce Russia’s vulnerability to external shocks.

The challenge of diversifying Russia’s economic structure and reducing its reliance on natural resource sectors has loomed large on the policy agenda for well over a decade. It was, indeed, one of the priority tasks set out in the programme of Russia’s first post-Soviet government in 1992. Yet little was done to meet that challenge either during the crisis years of the 1990s or during the decade to mid-2008, when external conditions were relatively favourable; the growth model through mid-2008 remained broadly the same as in the preceding years. Efforts to foster “diversification”, such as they were, typically took the form of politically determined allocation of public funds to create new companies and programmes or — more often — to support existing firms in mature industries. This pattern was interrupted by the onset of the global financial crisis. The scale of the shock highlighted the urgency of this challenge, and the ensuing recovery has done nothing to diminish it.

The political economy of Russia today

The concentration of budgetary support on incumbent firms – rather than on targeted social assistance, training and other adjustment measures – suggests that preservation of the economic status quo remains a high priority. There is something of a paradox here: the crisis underscored once again the degree to which Russia’s economic structure leaves it vulnerable to external shocks, but the immediate policy response served to reinforce that structure rather than to foster adjustment. While there is much discussion of the reforms needed to diversify the structure of production and exports, there has so far been little willingness to pursue reforms in this direction that might contradict the interests of the primary sector.

Another factor that works in favour of incumbent firms — and thus impedes structural change — is the extent to which large firms, many of them state-owned, continue to dominate the Russian industrial landscape, even outside the resource sectors. This is a product of both Soviet planners’ preference for creating very large enterprises and the privatisation/re-nationalisation policies of the last twenty years. Whether measured by the share of total net profits or market capitalisation, big companies loom larger in the Russian economy than in many OECD and other countries (OECD 2009). The total sales of the ten and fifty largest firms are equivalent to almost 30 per cent and 50 per cent of GDP respectively, and the share of markets classified as “highly concentrated” increased from 43 to 47 per cent between 2001 and 2007. Concentration at regional level tends to be even greater (OECD 2006). In many regional markets, a few incumbent firms operate in close cooperation with regional or local officials. While this often reflects (and fuels) corruption and rent-seeking, such arrangements also arise as a result of the limited fiscal autonomy of sub-national authorities. Regional governments and municipalities often pursue social objectives through more or less informal arrangements with large incumbent enterprises. These typically translate into effective barriers to entry from outside competition, thereby reinforcing the position of incumbent firms.

The continuing weakness of Russia’s institutions, a product in part of the failure to move ahead with the reform agenda outlined in 2000, also tends to reinforce the dominant position of large incumbents, since it is easier for them to protect their interests in a contracting environment characterised by high levels of corruption, weak property rights and frequent political intervention. Well connected insiders are always at an advantage in an environment where the formal
rules of the game are weak and inconsistently applied, and the informal rules and norms are opaque. This works to the disadvantage of new Russian sectors and firms, as well as would be foreign entrants. The scale of the problem is apparent in the survey conducted for the 2009 Global Corruption Barometer, which asks respondents directly about their experience of official corruption: in Russia, around one respondent household in three had paid a bribe in the preceding 12 months. Using enterprise surveys taken between 2000 and 2008, Frye (2010) concludes that corruption actually grew worse over the past decade, a conclusion that is reinforced by Russia’s steady decline in international comparisons, such as those undertaken by Transparency International, World Economic Forum and the World Bank (see Chapter 17 by Leslie Holmes). Secure property rights, buttressed by legal and regulatory clarity and strong, independent courts, would rapidly eliminate some of the most lucrative rents available to bureaucrats, the police, prosecutors and others.

Contrary to the hopes of many observers at the time, Putin’s anti oligarch drive did not separate business from high politics; it merely changed the balance of power between the Kremlin and the tycoons. Indeed, the tactics used to punish wayward oligarchs tended to reinforce the tycoons’ reliance on personal ties and particularistic lobbying, since it was clear that they could not count on the law or other formal institutions to protect themselves. For the country’s leaders, this arrangement clearly has many advantages, ensuring that even large private companies can be counted on to do their bidding when required. For those further down the bureaucratic hierarchy, regulatory confusion, insecure property rights and the weak rule of law offer other rewards, in the form of low level corruption.

As it enters its third post Soviet decade, then, Russia is significantly wealthier and more internationally integrated – but also more unequal – than it was twenty years ago. Yet its political economy shows a greater degree of continuity than one might expect, given the undoubtedly enormous changes it has undergone: it continues to be characterised by resource dependence, state ownership, large firm dominance, weak institutions and extensive direct – and often ad hoc – political intervention in economic processes. This is particularly troubling in view of the fact that continued strong growth, as well as economic diversification, will require Russia to import technology, know how and institutions from richer countries, as well as to develop its own considerable – but so far largely unrealised – innovation potential. However, such a pattern of growth would require a sound business environment, open markets, good infrastructure and the rule of law (Sutela 2009). Indeed, much research confirms that innovative firms and other new entrants are particularly sensitive to the quality of institutions (Gianella and Tompson 2007). Shifting from an incumbent oriented focus on perpetuating the status quo to a more diversified model of catch up growth will require focusing on these things rather than yet more top down attempts to dictate structural change.

Notes

1 Russia was in this respect typical of other transition countries. Few electorates in Central or Eastern Europe were given the opportunity to vote on the market transformation until it was well under way; the process was most often launched by governments elected on a platform of opposition to the old regime without any explicit commitment to radical market reforms.

2 In other words, assets to support particular purposes would have far lower value if they were redeployed for any other purpose and might, indeed, prove extremely expensive or even impossible to redeploy in any case.

3 To be sure, defining the degree of subsidy provided to different sectors in the absence of anything resembling scarcity prices is difficult. Nonetheless, it would appear that, as a rule, the degree of subsidy increased with the degree of processing, and most manufacturing sectors thus consumed more value than
they produced, at least when valued at world market prices (Marrese and Vanous 1983; McKinnon 1993). The post-Soviet economic fortunes of various sectors largely reflect this rule, with the resource extraction sectors emerging as the major winners from the early transition.

4 On the concept of “state capture”, with particular reference to transition countries, see Hellman et al. (2000).

5 Few now recall that Yegor Gaidar, Anatoly Chubais and the other radical reformers in the government opposed voucher privatisation (the legislation for which had been adopted before they took office) and special terms for the acquisition of shares by enterprise insiders, preferring instead to concentrate on cash sales and on finding effective owners. Politically, however, this was a non-starter.

6 Indeed, where privatisation did not take place, insiders tended to “privatise” financial flows and other assets, siphoning them off into vehicles they controlled.

7 The exception was Norilsk Nickel. Oneksimbank acquired a controlling stake in this concern against its managers’ wishes and had to fight a protracted legal, commercial and political battle to secure real control. See Allan (2002) and Adachi (2010).

8 The initial proposal put forward by a consortium of leading banks involved a list of some 64 enterprises. The presidential decree of 31 August 1995 included a list of 44, but within six weeks this had been reduced to just 16. In the end, only twelve actually ended up on the auction block.

9 For an excellent analysis of the authorities’ attempts to pursue stabilisation without imposing hard budget constraints, see Pinto et al. (2000).

10 The term was always something of a misnomer; see Tompson (2005a, 163–4).


12 Since the composition of the top 20 changed very little, this increase reflected state acquisitions rather than changes in relative stock prices.

13 Other countries have opted for similar policies when facing similar dilemmas; see Chaudhry (1993).

14 The forecasts included were those of the OECD, the EBRD, the IMF, UBS, Citigroup, Renaissance Capital, Merrill Lynch, the Vienna Institute WIIW, HIS Global Insight, Troika Dialog, the Economist Intelligence Unit, Kopint–Tarki, UniCredit MIB, Dresdner Bank, Raiffeisen Zentralbank, JP Morgan and Goldman Sachs; in December 2008, all but JP Morgan (with a 0.0 forecast) anticipated growth in 2009.

15 These included raising tariffs on imported second-hand cars, extending subsidies to domestic enterprises and adopting preferential public procurement practices.

16 Oil and gas revenues include the natural resource extraction tax and export duties for oil, oil products and natural gas, as well as corporate income taxes, VAT, excise fees and other charges paid by companies in the sector.

17 Other countries have opted for similar policies when facing similar dilemmas; see Chaudhry (1993).

18 The forecasts included were those of the OECD, the EBRD, the IMF, UBS, Citigroup, Renaissance Capital, Merrill Lynch, the Vienna Institute WIIW, HIS Global Insight, Troika Dialog, the Economist Intelligence Unit, Kopint–Tarki, UniCredit MIB, Dresdner Bank, Raiffeisen Zentralbank, JP Morgan and Goldman Sachs; in December 2008, all but JP Morgan (with a 0.0 forecast) anticipated growth in 2009.

19 For an overview of these explanations, with particular emphasis on the issue of weak financial markets, see Hausmann and Rigobon (2003).

20 President Dmitry Medvedev acknowledged this quite frankly in his open letter of September 2010 (Medvedev 2010).

21 Calculated on the basis of 119 markets, for which data from Rosstat are available for both 2001 and 2007. Concentration ratios are calculated using the HHI and CR3 methodologies. A highly concentrated industry is defined as one in which the Herfindahl Hirschmann Index (HHI) is greater than 2000.

References


Russia’s market economic reforms

Anders Åslund

One of Russia’s most fundamental transformations after communism is its adoption of a market economic system. Post-Soviet Russia has seen two periods of intense economic reform: 1991–93 and 1998–2002. The first period of the Yeltsin and Gaidar reform laid the foundations of a market economy. After the financial crash of August 1998, the Russian government finally balanced its state budget and carried out a second generation of market reforms (Åslund 2007a).

It is difficult to exaggerate the political and economic chaos in the autumn of 1991, when the Soviet Union was falling apart. The rampant economic crisis was replete with shortages, high inflation, and state bankruptcy. Russian President Boris Yeltsin focused on three tasks: to secure his political power, to dissolve the Soviet Union peacefully, and to build a market economy in Russia. He wanted to introduce a radical economic reform as soon as possible.

On 28 October 1991, Yeltsin made his greatest speech ever to the Russian Congress of People’s Deputies, in which he focused on economic reform. Two central economic tasks were to establish economic freedom and financial stabilisation:

I appeal to you at one of the most critical moments in Russia’s history. … The time has come to act decisively, firmly, without hesitation. … A big reformist breakthrough is necessary. … We have a unique opportunity to stabilise the economy within several months and to start the process of recovery. We have defended political freedom. Now we have to give the people economic [freedom], remove all barriers to the freedom of enterprises and entrepreneurship, offer the people possibilities to work and receive as much as they earn, after having relieved them of bureaucratic pressures.

(Yeltsin 1991)

Yeltsin emphasised the need for an instant liberalisation of prices, macroeconomic stabilisation, and privatisation, providing a reasonable amount of detail. Cleverly, he put his radical economic reform speech to a vote, and the deputies voted 876 to 16 in favour (Aron 2000, 491).

He appointed the outstanding young economist Yegor Gaidar his deputy prime minister and chief reformer. Gaidar’s reform plan was pretty standard, emphasising deregulation of prices and trade, macroeconomic stabilisation, and privatisation. His great concern was to salvage Russia from collapse before the inevitable reaction from the red establishment. Therefore, he advocated a radical reform as in Poland in 1990 and in Czechoslovakia in 1991, with a concentration of major reform measures in a “big bang” in January 1992.
Launch of market reform

The all dominant problems were massive shortages and high inflation, leading to demonetisation and dollarisation. Output was in free fall. Fifteen central banks issued ruble credits without control or coordination. According to the most credible estimates, the Soviet budget deficit in 1991 was about 31 per cent of GDP, as public expenditures had skyrocketed beyond control. Since prices remained regulated, price subsidies surged with rising costs. The USSR defaulted on its foreign payments and lost access to international financing, which sent the exchange rate plummeting, and foreign trade collapsed.

Gaidar (1999, 114) justified his choice of early, comprehensive price deregulation:

There were no reserves to ease the hardships that would be caused by setting the economic mechanism in motion. Putting off liberalization of the economy until slow structural reforms could be enacted was impossible. Two or three more months of such passivity and we would have economic and political catastrophe, total collapse, and a civil war.

On 3 December 1991, Yeltsin signed a decree on “the transition to free (market) prices and tariffs, formed under the influence of supply and demand” on producer goods, consumer goods, services, and labour. This price deregulation was truly far reaching, involving 80 per cent of producer prices and 90 per cent of consumer prices. Among producer prices, energy, some commodities, and transportation were excluded, but most of these prices were hiked fivefold. January 1992 started with a big bang as intended, and no public protest occurred, although prices rose instantly by about 250 per cent. Gradually, shortages diminished and goods reappeared in shops.

The reformers wanted to liberalise foreign trade, unify the exchange rate, adjust it to the market, and make the ruble convertible, but their endeavours were impeded by the communists’ depletion of Russia’s currency reserves. Still, the reformers succeeded in a near complete deregulation of imports for the first half of 1992, because everybody wanted to end shortages.

Gaidar’s second great task was to cut the budget deficit. He focused on a few major cuts. The price liberalisation eliminated large price subsidies. He slashed military procurement, initially by 85 per cent, eventually by 70 per cent. For the rest, he tried to keep state subsidies and public investment low. A major tax reform had to wait and the tax burden remained high because of fear that collection would founder, but the old tax collection system continued to function, because most taxes were still collected from big state enterprises by state banks.

The price liberalisation eliminated the monetary overhang, but the reformers never managed to seize control over the Central Bank. As a result, the money supply expanded by as much as an average of 11 per cent a month from January to May 1992, and monthly inflation never declined to less than 12 per cent in May 1992. In April 1992, the parliament started an onslaught on the reform government, and financial stabilisation soon unravelled.

Gaidar had failed to liberalise energy prices, and in May 1992 Yeltsin sacked Gaidar’s minister of energy, who advocated energy price liberalisation. In May–June 1992, Yeltsin appointed three heavy industrialists as deputy prime ministers, including Viktor Chernomyrdin, the last Soviet minister of the gas industry and the founder of Gazprom. The first attempts at liberalisation and macroeconomic stabilisation were over by June 1992.

Ambitious mass privatisation

Political attitudes toward privatisation were peculiarly volatile. Nationalisation of the means of production was one of the last communist dogmas to fall, but the 500 day programme in 1990
made privatisation acceptable. Soon, Russia had undertaken the largest and fastest mass privatisation in world history, but then it was sharply criticised.

In December 1990, Russia enacted a Law on Enterprises and Entrepreneurial Activity, and in the summer of 1991 the Russian parliament adopted one law on privatisation and another on personal privatisation accounts. Unfortunately, their drafters had not thought through the privatisation, so these early laws were inoperative.

An intense public debate on privatisation took place in the first half of 1992. It was led by the Minister for Privatisation, Anatoly Chubais, a close Gaidar ally. Since Russia was dominated by big enterprises, the privatisation debate focused on them. Nearly all agreed that privatisation had to be extensive and fast, but all wanted their share: state managers, employees, ministries, and the population. Between 1989 and 1991, some state managers and ministerial officials had attempted nomenklatura privatisation. Yeltsin (1991) reacted against this:

For impossibly long, we have discussed whether private property is necessary. In the meantime, the party–state elite has actively engaged in their personal privatisation. The scale, the enterprises, and the hypocrisy are staggering. The privatisation in Russia has gone on for [a long time], but wildly, spontaneously, and often on a criminal basis. Today it is necessary to grasp the initiative, and we are intent on doing so.

A major aim of privatisation policy was to ensure that managers did not usurp everything. State managers proposed that enterprises be given to the workers, presuming they could exploit those workers. Democrats and reformers hoped for mass privatisation through vouchers distributed to all to give every Russian a share. Unlike in Central and Eastern Europe, restitution to former owners was not an issue. Chubais’ advisors were the main thinkers behind the Russian privatisation, and they published a forceful book, Privatizing Russia, arguing:

… political influence over economic life was the fundamental cause of economic inefficiency, and … the principal objective of reform was, therefore, to depoliticize economic life. Price liberalization fosters depoliticization because it deprives politicians of the opportunity to allocate goods. Privatization fosters depoliticization because it robs politicians of control over firms.

(Boycko et al. 1995, 10–11)

They continued:

In our view, controlling managers is not nearly as important as controlling politicians, since managers’ interests are generally much closer to economic efficiency than those of politicians. Once depoliticization is accomplished, the secondary goal of establishing effective corporate governance can be addressed.

(Boycko et al. 1995, 65)

Another key idea was to unify cash rights and control rights to align the incentives of owners and managers to stop the rampant asset stripping. Managers should be made interested in profits and asset values rather than in taking assets out of a company.

After extensive debate and negotiation, the government persuaded the Russian parliament to amend the Privatisation Law and adopt a Privatisation Programme in June 1992. First, enterprise associations were to be broken up and enterprises were to be privatised individually. Then, large enterprises were transformed into joint stock companies. The managers were co-opted by the reformers, while industrial ministries were defeated.

For Chubais, the main goal of privatisation was “to form a broad stratum of private owners”. Other important aims were to improve the efficiency of enterprises, to create a competitive
market, and to pursue rapid privatisation. Realising the limits of their power, the Russian privatisers kept auxiliary objectives short. State revenues were not even a consideration, because no improvement in the functioning of enterprises could be expected until they had been privatised.

In August 1992, Yeltsin made privatisation the centrepiece of his speech on the anniversary of the coup. He advocated the benefits of capitalism for ordinary people: “We need millions of owners rather than a handful of millionaires.” He emphasised equality of opportunity and freedom of choice. His big news was that Russia would undertake a voucher privatisation: “The privatisation voucher is a ticket for each of us to a free economy” (Rossiiskaya gazeta, 20 February 1992).

The inspiration came from Czechoslovakia. The Russian scheme was simpler than the Czechoslovak one. Every Russian received one privatisation voucher for free before the end of January 1993. Unlike in Czechoslovakia, the vouchers could be traded, because the privatisers wanted to encourage an early concentration of ownership. They worried that the vouchers would disperse ownership too much to allow effective owners’ control. Chubais exaggerated the material benefits Russians would gain from the voucher privatisation, arguing that such a voucher would be worth a Volga car. This would cost him a great deal in the future, but his goal was not egalitarianism but a normal market economy based on predominant private ownership.

Yeltsin issued a decree on privatisation cheques in August 1992. Enterprises were privatised through voucher auctions, where anybody with vouchers could bid for stocks of a specific company. The first voucher auctions were held in December 1992, and they continued relentlessly despite considerable political tumult. The last voucher auctions took place in the summer of 1994. Meanwhile, 16,500 large enterprises (with more than 1,000 workers) had been privatised in this way. The voucher privatisation was more successful than anybody had dared to hope. This was the largest privatisation the world had ever seen.

The government tried to balance the different interests by offering three alternative options of privatisation schemes for adoption. The most popular of them gave managers and employees the right to buy 51 per cent of the stocks at a nominal price, and even more stocks went to insiders, while only 22 per cent of the shares in the privatised companies were sold for vouchers, but the voucher sales were important because they concluded the privatisation and rendered the enterprises distinctly private.

Mass privatisation was concluded in 1994. Many large companies remained owned by the state, but further discretionary sales turned out to be politically complicated. In the last quarter of 1995, a group of young businessmen, who had become known as “oligarchs”, managed to acquire a dozen highly valuable companies, notably three oil corporations, in return for loans which later became sales in selective transactions. These so called “loans for shares” privatisations became politically very controversial, as the prices were so low and the transactions closed, but more money was actually paid for these enterprises than in previous insider privatisations. Their real distinction was that they were privatised to outsiders representing a new type of businessmen.

Russia had hardly any small, private firms. In February 1992, the first shops were auctioned off in Nizhny Novgorod in a theatrical televised auction in the presence of both Gaidar and Chubais. The execution of small scale privatisation was highly decentralised. It gained full speed in July 1992, and an average of 5,000 to 6,000 small firms were sold each month until July 1993. By August 1994, the government assessed that no fewer than 106,000 small firms had been privatised. Quantitatively, the small scale privatisation was an unmitigated success, and it was not very controversial. In fact, however, few auctions were held and most shops were sold cheaply to their managers. Often, many liens and regulations persisted for years, rendering it difficult to distinguish between a privatised and state owned shop.
Chubais’ privatisation was the greatest success of Russia’s reform. In late 1994, the European Bank for Reconstruction and Development assessed that half of Russia’s GDP originated in the private sector. Most of Russia’s large, medium size, and small enterprises had been privatised, while large sectors, such as agriculture, infrastructure, and the military–industrial complex, remained completely public.

Abortive financial stabilisation

The appointments of three state enterprise managers as deputy prime ministers in June 1992, and of Viktor Gerashchenko as chair of the Central Bank in July, marked the end of the first attempt at macroeconomic stabilisation. The money supply increased nearly beyond control, and with it inflation. Russia was approaching hyperinflation.

The most fundamental flaw was the ruble zone. At the beginning of 1992, 15 central banks of former Soviet republics competed in issuing ruble credits. If one country issued more credits than the average, it gained a disproportionate share of the common GDP, but it condemned itself to hyperinflation.

In the summer of 1992, the three Baltic countries broke out of the ruble zone and established their own national currencies. Kyrgyzstan followed in May 1993. The other 11 countries stayed in the notoriously inflationary common currency zone. From the outset, Gaidar and other Russian reformers had advocated the “nationalisation” of the ruble, but they faced resistance on all sides.

In July 1993, Gerashchenko, until then the greatest cheerleader of the ruble zone, suddenly finished it off by declaring Soviet rubles null and void, characteristically without warning or consultation. A chaos of exchange queues outside all banks prevailed for several days. In 1993, the ten other countries remaining in the ruble zone experienced hyperinflation, that is, more than 50 per cent inflation in the course of one month, while Russia escaped with inflation of “only” 840 per cent. By September 1993, the ruble zone broke up and a basis for monetary stabilisation had been created.

In April 1993, Russia concluded an agreement with the IMF on a Systemic Transformation Facility. It imposed a framework for macroeconomic policy on Chernomyrdin and Gerashchenko. It established quarterly credit ceilings and compelled the Central Bank to raise interest rates. By November 1993, Russia had attained a positive real interest rate, and monetary emission started moderating. Certain improvements were made, as the reformist Minister of Finance Boris Fedorov managed to unify the exchange rate and raise or liberalise energy prices, but stabilisation remained elusive. The budget deficit stayed at an average of 9 per cent of GDP each year until the public debt became overwhelming in 1998.

Remarkably, Russia received no direct international assistance for its economic reforms in 1991–92. The first IMF loan arrived in the autumn of 1992, when the reform wave had abated. The West provided only humanitarian assistance in the form of agricultural credits. Apart from the IMF, foreign governments and international organisations offered Russia’s market reforms no significant assistance. Russia has long since repaid the IMF credits. The inability of the West to come to Russia’s assistance in its time of suffering has naturally left many Russians with a feeling of resentment against the West.

On 17 August 1998, Russia defaulted on its internal treasury bills and let the ruble float; it fell quickly by three quarters, and the government froze international bank transactions for three months. The payments system broke down and full financial panic broke out. President Yeltsin sacked the young reformist Prime Minister Sergei Kirienko and replaced him with the old communist Yevgeny Primakov.
Officially, Russia’s GDP slumped by 44 per cent from 1989 to 1998, when it hit bottom. In reality, the decline might have been about half as large, as an increasing share of GDP went unregistered, but the exact number will never be known. At the same time, income differentiation increased greatly, and one third of the population fell below the poverty line. For most Russians, the 1990s was a time of material suffering (for a fuller discussion of the social costs of reform, see Chapter 25 by Stephen Crowley and Chapter 26 by Linda Cook).

**Finally financial stabilisation after the 1998 crash**

During the first half year after the crash of August 1998, the new Primakov government was governed by necessity and prior reform proposals, especially the substantial programme the preceding Kirienko government had concluded with the IMF and the World Bank in July 1998.

The default forced vital fiscal reforms upon the country. As no finance except tax revenues was available any longer, the budget deficit had to be eliminated. Renewed external default loomed if the government failed to service the country’s foreign debt. Russia’s apparent political inability to balance its budget disappeared because the only alternative was hyperinflation, which nobody wanted. Hence, no money was available for the expensive public investment programme or for industrial subsidies, or even for prior social transfers. The government imposed new controls over both revenues and expenditures.

The Primakov government undertook a major fiscal adjustment entirely through expenditure cuts, slashing Russia’s consolidated state expenditures by no less than 14 percentage units, from 48 per cent of GDP in 1997 to 34 per cent of GDP in 2000. All arguments about the impossibility of reducing public expenditures fell by the wayside. Enterprise subsidies of little social benefit were eliminated, which levelled the playing field for Russian business. Real pensions were reduced by about half from the summer of 1998 to early 1999, by not allowing them to rise with inflation. From 2000, Russia has had persistent budget surpluses.

The financial crash reinforced central state power. The budget of February 1999 stipulated that offsets could no longer be used for payments to the federal government, which hit big corporations and regional governments. Bankruptcy legislation had long been on the books, but helped by a new aggressive bankruptcy law of 1998, the government started pursuing its claims with vigour. As the government demanded cash payments, barter and offsets were eliminated, clearing up chains of arrears. Barter payments between Russian industrial enterprises fell from a peak of 54 per cent of all inter-enterprise payments in August 1998 to 14 per cent in the fall of 2001, because barter was no longer profitable. Large enterprises could no longer extract tax rebates through offsets, and regional governors could not divert federal funds. Arrears of pension and state wages dwindled. The monetisation also levelled the playing field.

The Primakov government continued the tax war on the oligarchs that the reformers had launched in 1997–98, and the newly strengthened state was able to beat the weakened oligarchs.

A radical centralisation of government revenues to the federal government took place from both the regions and extra-budgetary funds. Federal revenues almost doubled from 11 per cent of GDP in 1998 to 20 per cent in 2002. The powers of the federal treasury were reinforced through the adoption of the new budget code in 2000. All state agencies had to make all their transactions through accounts with the federal treasury. Russia’s fiscal dimensions became reminiscent of the United States, with total fiscal revenues of about one third of GDP and federal revenues some 20 per cent of GDP.

The federal treasury was also strengthened by the vagaries of the world market. With the devaluation, foreign trade taxes, which were valued in foreign currency, increased sharply. In
addition, the government introduced high export tariffs to tax the natural resource companies. The windfall gains from rising world oil prices went to the federal treasury. The international oil price, which had touched $10 a barrel during Russia’s misery in 1998, began a relentless rise to $70 a barrel in 2006 and 2007. However, it lingered around $25 a barrel until 2003, so high oil prices did not cause Russia’s fiscal cleanup or economic growth. The sharp devaluation kick started the economy and helped put the foreign account right. Russia also received a windfall gain of about $60 billion as its default on its domestic treasury bills (GKO) left it with minimal liabilities.

In fact, the financial crash of 1998 helped Russia on the right economic track. The financial stabilisation, monetisation, and devaluation were the catalysts for Russia’s high and steady growth of nearly 7 per cent a year from 1999 until 2008. All Gaidar’s (1999, 210) requirements of economic growth were finally in place: “macroeconomic stability and low, predictable rates of inflation, and open economy plus access to promising markets, clear cut guarantees of property rights and a respectable level of financial liability, high levels of individual savings and investments, and effective programs to aid the poor and to maintain political stability”.

The financial stabilisation shifted power over economic policy. The main losers were old managers and oligarchs, who had lived on subsidies and tax rebates extracted through barter or collusion with the government, while the regional governors lost both power and financial resources to the federal government. A third group of losers was the communists, who were marginalised by the Duma elections in December 1999. Their ideology of extensive government intervention had failed, giving way to more liberal ideas. Before the Duma elections in December 1999, the communists revised their party programme to embrace the market economy.

The August 1998 crash broke the overwhelming resistance that had kept market economic reforms at bay since 1993. After years of vacillation, Russia started undertaking one big reform after another. Vladimir Putin is often praised for these achievements, but the financial stabilisation was undertaken in 1998–99 before Putin became prime minister, and Russia was already growing fast, when Putin was lucky to arrive at a laid table.

The Gref programme: second generation of economic reform

In 1999, the McKinsey Global Institute (1999) published a major study of Russian industry. It concluded that Russia had sufficient physical and human capital for a potential growth of 8 per cent a year. The main obstacles were a distorted tax system, a poorly functioning government giving large subsidies to inefficient companies, and the absence of a land market. The report found that neither the banking system nor the legal system were significant impediments at Russia’s stage of development.

After the 1999 Duma elections, Russia for the first time had a legislature that approved of a normal market economy, and on New Year’s Eve 1999, Yeltsin handed over the presidency to Putin. Putin relied on German Gref, a young liberal lawyer, as his chief economic reformer. In May 2000, Putin appointed Gref as head of a new super ministry, the Ministry of Economic Development and Trade, and in July 2000, the “Gref Programme” was adopted as the government’s economic reform programme. It was a comprehensive and detailed action programme. Its goal was to boost economic growth to 8 per cent a year through tax reform, bank reform, deregulation, privatisation, social reform, accession to the WTO, judicial reform, and reform of the state.

Now a radical tax reform was possible. The prior tax system was unwieldy, arbitrary, inefficient, and unenforceable. Of the 200 taxes, approximately 30 were federal and some 170 local or
regional. Multiple tax agencies competed over the same revenues (Shleifer and Treisman 2000). The enforcement of the tax laws was haphazard and brutal. The tax inspection and the competing independent tax police harassed businessmen. The more a businessman paid in taxes voluntarily, the more he could be extorted. For a businessman, the rational solution was to conclude a corrupt deal with the tax authorities.

The reform attempted to base the tax system on sound principles of fairness, simplicity, stability, predictability, and efficiency. A draft tax code had been gathering dust in the Duma since 1997. Key provisions had been incorporated in the government–IMF crisis plan of July 1998, and the first part of the tax code was adopted and came into force in January 1999. The second part of the code, which reformed the value added tax, personal income tax, and excise tax, and introduced the new unified social tax, became effective in 2001, and the new corporate income tax in 2002. The number of taxes was reduced sharply to 16 in 2004, of which 10 were federal, reflecting the strong trend toward centralisation. Small and inefficient nuisance taxes, which generated more corruption and hazard than revenues, were abolished. The tax reforms liberalised and stimulated the Russian economy.

The key tax reform was that a flat income tax of 13 per cent replaced the progressive personal income tax peaking at 30 per cent. It eliminated the disincentives to work and encouraged citizens to bring their earnings out into the open, reducing illegality and corruption and expanding the tax base. It provided a positive shock, boosting the revenues from personal income taxes from 2.4 per cent of GDP in 1999 to 3.3 per cent in 2002.

The corporate profit tax was reduced in 2001 from 35 to 24 per cent. Far more important was that most ordinary business costs became deductible. This tax reduction made it possible to abolish most tax exemptions, levelling the playing field. The social taxes were payroll taxes paid by the employer to four different social funds, which were poor at collecting them. In 2001, the payroll tax was cut from a flat rate of 39.5 per cent to a regressive tax with a top rate of 35.6 per cent and an average rate of 26 per cent, which was set to decline. The four social taxes were transformed into a unified social tax, which was collected by the federal tax ministry like other taxes. The greatest benefit to business was that the competition in tax collection ceased. As a result of the liberal tax reforms, tax collection improved, and the government could cut taxes further.

The other big reform involved deregulation to stimulate small enterprises, as Russia finally woke up to its need for small and medium-sized enterprises. They were subdued by a madness of red tape and bureaucratic harassment. In 2000, an average small or medium sized firm was inspected 37 times to check its licences and 104 times to check certificates (Yasin 2002, 212). In July 2001, the Duma passed a package of laws that brought about major deregulation of small and medium-sized enterprises, by simplifying their registration, licensing, inspection, and certification (OECD 2002).

First, all enterprises in Russia had been required to register with the state, but now registration was simplified. A businessman could register with one single government agency. The mandated period of registration was sharply reduced from one month to a maximum of five working days, which reduced actual waiting time as well as possibilities for extortion by bureaucrats.

Second, the requirements for government licences from 37 federal agencies were sharply reduced. The new licensing law stipulated that a licence would be prolonged from a maximum of three years to a minimum of five years. It also reduced the cost of a licence and the number of business activities subject to licensing.

Third, Russian businesses were plagued by inspections, which were another tool for extortion. The new inspections law stipulated that a government agency could not conduct more than one planned inspection of a firm once every two years, although any number of unplanned inspections was allowed. As a result, the number of inspections of small businesses fell by 27 per cent between
2001 and 2002. Yet, law enforcement agencies were excluded from these restrictions (CEFIR–World Bank 2003).

A fourth important law on deregulation tried to simplify standardisation and technical regulation. This broad effort at deregulation was impressive. The situation improved, and the amelioration has proved sustainable. Small enterprises have grown steadily. The number of officially registered enterprises has steadily increased by more than 7 per cent a year, and by 2006 the total number of registered enterprises in Russia had reached almost five million, quite a respectable number. Still, the patriarchal surveillance system remains in place, and more radical deregulation is needed.

Another key issue was land reform. The 1993 Constitution proclaimed Russian citizens’ right to own land as private property, but until 2001 the communists and agrarians in the Duma blocked the promulgation of a new land code, which aimed to legalise the private ownership of land. A new chapter in the civil code provided the legal basis for private transactions in land, and after a prolonged legislative battle a new capitalist land code was adopted on 25 October 2001, but it excluded farmland.

The privatisation of agricultural land was the last ideological barrier to break. In July 2002, the Duma finally legalised the sale of agricultural land as well, but each region had to adopt a law to make the federal law effective. As a consequence, communist regions could withhold agricultural land from sale, while more liberal regions allowed sales of land. Private ownership of agricultural land developed only gradually, as good connections with regional governors were vital for land purchases. Big businessmen accumulated hundreds of thousands of hectares of agricultural land in huge estates, while family farmers often failed to acquire land.

Attempts at reform in the social sector largely failed, although it was highly inefficient. A new labour code was adopted in February 2002, but it only improved the old Soviet labour code and made it akin to an overregulated West European social democratic code rather than introducing the more liberal Anglo American labour market philosophy. Old social benefits remained. The biggest social reform during Putin’s first term was the pension reform adopted in 2002, but through various bureaucratic measures it was watered down, and in the end little changed. Other big social reforms were postponed until Putin’s second term, but then virtually all reforms were abandoned. The vast education and health sectors, together with housing services, remained among the least reformed parts of the Russian state, and hardly anything was done to improve them.

Conclusion: great achievements but mixed results

The Russian revolution of 1991–93 included both great achievements and shortfalls. Rarely had a country been in as dire straits as Russia in late 1991. Hardly any elementary condition of state order existed. Hyperinflation was around the corner, while shortages were unbearable, and output in free fall. The West sent emergency food supplies to forestall starvation. Russia’s fate lay in the hands of one man: Boris Yeltsin, and he had a strong sense of his responsibility and direction. Intelligently and boldly, he drew radical conclusions.

Domestically, Yeltsin concentrated on economic reform and left political reforms for later. In the autumn of 1991, he wanted to undertake radical market economic reform, and he did not shy away from talking about shock therapy. His basic strategy was sensible and delivered at least six major successes in the form of reforms that proved viable and irreversible. First, price deregulation, the basic precondition for a market economy, was extensive. Second, imports were almost completely liberalised, rendering Russia an open market economy. Third, Russia unified its exchange rate. Fourth, by attempting to cut military procurement by 85 per cent, Gaidar
single handedly beat what had long been considered an unbeatable military–industrial complex once and for all. Fifth, mass privatisation established predominant private ownership which provided the basis for subsequent economic recovery. Finally, in 1992 and 1993, the number of small private enterprises mushroomed as never before or after, with a critical mass of nearly a million private enterprises legally registered. Near hyperinflation was less harmful to small private firms than the resurgent bureaucracy that subsequently strangled their expansion. In sum, most, although not all, preconditions for a market economy had been created. In each case, reforms worked because they were simple and radical. The unwieldy, extensive, and corrupt Russian state could not manage to carry out any piecemeal reforms.

On macroeconomic stabilisation, no common ground existed between the reformers and the rent seekers, and any attempt by the reformers to reach a compromise only delayed stabilisation and aggravated inflation. Fedorov’s more aggressive stabilisation policy in 1993 was more successful than Gaidar’s attempts to find compromises in 1992, but Fedorov benefited from the reforms already undertaken, the diffusion of rents, and the presence of the IMF. By contrast, Chubais succeeded because privatisation allowed room for compromise: the state managers could accept giving away some of their quasi property rights to other stakeholders in exchange for legal guarantees for the rest of their ownership.

Although the assessment of the initial Russian transition from Soviet communism is mixed, it is impressive how many aspects of the transition were done right. In a revolution, many institutions are suspended and a few leaders play an immense role in confronting a small but fierce elite that is politically engaged. The Russian capitalist revolution bears the imprint of one giant, Boris Yeltsin. Both successes and failures were direct consequences of his personal insights and frailties.

Russia’s fundamental dilemma was that the greater magnitude of its economic and political quandary made it necessary to undertake a more comprehensive “big bang” reform than in Central Europe, but these arduous preconditions also made such an undertaking far more difficult. The opportunity missed was not to make the initial “big bang” in January 1992 even bigger by liberalising energy prices and commodity exports, while imposing a stricter monetary policy and ending the ruble zone. That might have been possible, because resistance at the time was unorganised. The Russian reformers were very close to taking that step. What was missing was the West, which did nothing to help Russia’s reformers at a most critical moment in the country’s history.

The most relevant measure of a country’s degree of market economy is the EBRD’s transition index, ranking countries from no market economy to normal Western market economy. By 1996, Russia reached the level of a fully fledged market economy. (Åslund 2007b, 84–86). The private sector is predominant, contributing 65 per cent of GDP according to the EBRD (2009). Its stock market capitalisation has equalled its GDP, as is common in Western Europe. The key feature of a market economy is that economic decisions are predominantly made by free individuals and independent firms. Russia’s distribution is completely private and independent. No state planning committee tells enterprises what to produce. Nor does the state allocate goods. Prices and trade are predominantly free, and Russia’s subsidies are small. Transactions are overwhelmingly monetised.

Russia’s biggest setback to reform was the confiscation of the Yukos oil company that started in 2003. Since then, no reforms worth mentioning have occurred. A significant renationalisation of large enterprises has taken place, as the government created large state holding companies in gas, oil, arms production, shipbuilding, and airplane construction, which are seen as non transparent and inefficient. According to the assessment of the EBRD, only 65 per cent of GDP currently originates from the private sector.
The country’s greatest problem is its extraordinary corruption. Transparency International (2009) assesses Russia at 146th place among 180 countries on its Corruption Perceptions Index. One consequence of the great corruption is that Russia’s total length of paved roads is exactly the same today as it was in 1997, while the number of cars has tripled. Russia was badly hit by the global financial crisis in spite of the third largest international currency reserves in the world and budget surpluses from 2000 to 2008. In 2009, Russia’s GDP fell by 7.9 per cent, more than in any of the 20 leading economies in the world.

This sharp decline has left a strong sense of malaise. Russia adopted an official strategy for 2020 in 2008. Its favoured scenario is called the “innovation scenario” leading to 6.5 per cent annual growth, but Russia appears to be on track for the least favoured “inertia scenario” with 3.5–4 per cent annual growth. The dominant analysis is that Russia has got stuck in an “energy curse”, as oil and gas account for one fifth of GDP, two thirds of its exports, and half of its state revenues. The question is whether Russia will be able to break out of this energy curse and start new reforms or whether the current pervasive corruption and slow growth will prevail. One of the big tests is whether Russia will be able to accede to the World Trade Organization or not.

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The Russian economy and business–government relations

Stephen Fortescue

This chapter begins with an outline of the structure of the post Soviet Russian economy, as the context for a description of the nature of Russia’s business–government relations. A resource dominated economy and oligarch style business go hand in hand, with the struggle over resource rent forming the basis of the relationship between business and government. Those relations in turn provide the context for a debate within Russian policy making circles over the future shape of the economy.

Size and structure of the economy

The Russian economy is well known for its strong resource orientation, above all oil and gas. According to official Russian statistics, energy contributed only 9 per cent to GDP in 2006. However, it is suggested that Russian statistics underestimate energy’s share of GDP because of low domestic energy prices, especially for gas. At normal market prices, it is claimed, energy has contributed almost 20 per cent of GDP in recent years (Oxenstierna 2009: 27). In 2008 crude oil and natural gas accounted for 65.9 per cent of merchandise exports, with another 15 per cent or so coming from coal and metals (Hanson 2009: 21). About 50 per cent of tax revenues come from the energy sector (Oxenstierna 2009: 27). Russia’s economic status in the world derives almost exclusively from its exports of oil and gas (with exports of commodity metals also making a contribution). While its possession of nuclear weapons and arms exports play a role, oil and gas exports are the foundation of its geostrategic status as well.

But there are other important components of the Russian economy. It has significant industrial and agricultural sectors, the former including the defence industry sector. Each retains strong features of a Soviet era legacy: long standing under investment, overstaffing, uncertain markets, location issues and overconcentration. Some parts of the industrial sector, above all metal production, have adapted to new circumstances by finding large scale export markets for commodity metals (Fortescue 2006b; 2009c). But much of the rest, including the defence industry sector, still struggle with the Soviet legacy. Within the defence industry, for example, debate rages over whether weapons manufacturers should rigorously maintain national self sufficiency by sourcing components domestically, or inefficient domestic suppliers should be abandoned in favour of imported components (Kiseleva 2009a, b). The travails of the giant car manufacturer AvtoVAZ, while not entirely representative of the whole industrial sector, reflect its problems, essentially those features of the Soviet legacy listed above.
It could be argued that greater progress has been made in adapting to new circumstances in the agricultural sector, where, particularly in areas more suited climatically and agronomically to agricultural pursuits, large domestic and foreign food companies have taken under management large tracts of land and applied to them relatively rigorous management techniques. While Russian agricultural productivity still lags well behind Western comparators, particularly in good years the country finds itself somewhat unexpectedly a significant grain exporter (Kostina 2001; Barnes 2006, 197–204; Wegren 2008).

Developments in agriculture are driven by changes in the food processing and food retail sectors. Although import penetration has been high (a result partly of a persistently appreciating real value of the ruble), both domestic and foreign firms have significantly upgraded Russian food processing and retail, just one example of the dramatic changes that have been seen throughout the retail and service sectors (Lorentz et al. 2006). Hanson attributes a significant part of output growth in the decade since the 1998 financial crisis “to a huge re-allocation of resources, particularly out of an over expanded and mostly uncompetitive heavy industry and into a hitherto underdeveloped services sector. … What was going on was much more than a mere pressing into service of under used capital and labour to feed growing demand financed by petro dollars” (Hanson 2009, 14).

There is debate as to whether the SME sector remains underdeveloped, with most commentators probably of the view that it is, particularly with regard to a German style Mittelstand (Arnot 2002; Barnard and Thomsen 2002; Russian SME Resource Centre 2004; Mirow 2009).

Russia and the global financial crisis

Following the collapse of communism, the economy went through well known wrenching transition problems, including massive falls in output through just about every product category, as well as serious inflation, nearing hyperinflation in the first half of the 1990s (Gaidar 2003). As epochally dramatic as these developments were, they should not have been a great surprise, given what we knew well beforehand of the nature of centrally planned output and deficit driven demand. Fierce fiscal discipline and a booming government debt market brought apparent stabilisation in the mid 1990s, but the financial crisis of August 1998 represented another major shock, even if the accompanying devaluation provided a welcome boost to non-export oriented domestic producers. That, combined with rising oil, gas and metal prices from the turn of the decade, brought growth unseen since the collapse of the Soviet Union and indeed sometime before. On the back of continuing high commodity prices and a boom in the construction industry, it continued until the global financial crisis hit Russia in mid 2008. Over the decade to the onset of the crisis nominal GDP measured in US dollars rose almost seven fold, “more than in any other major country” (OECD 2009, 11).

Initially the Russian leadership appeared to believe that the global crisis was a Western phenomenon that would pass Russia by. The generally gloomy Minister of Finance Aleksei Kudrin declared at the Davos forum in early 2008 that Russia was a “safe haven” amidst global turmoil, and admitted later that he maintained that view until at least the middle of 2008. His optimism was shaken by discussions with Western bankers in mid 2008 (Pis’mennaya 2010). By that time the decline in oil prices was affecting tax revenues and the global credit squeeze was putting enormous pressure on heavily indebted Russian companies and collaterally on the Russian share market. Economists continue to debate the relative contribution to the crisis in Russia of various factors, in particular oil prices and the sudden withdrawal of credit following several years of cheap money (OECD 2009, 25–26, 29). By September 2008 the government was forced to recognise the arrival of the crisis, and there was an urgent scramble over the next couple of months to deal with day to day crises and devise a coherent anti-crisis plan.
Once it came, the crisis hit Russia as hard as anywhere in the world, with GDP in 2009 declining 7.9 per cent, including 13.9 per cent in industry and 16.4 per cent in construction (International Monetary Fund 2010a, 3). However, the country entered the crisis in a strong financial position, with significant financial reserves, a large current account surplus and insignificant levels of sovereign debt. The much more substantial corporate debt was refinanced by the state and rescheduled by both domestic and foreign banks. While there are claims that money was directed too late and to low multiplier areas (International Monetary Fund 2010a, 8), the state used its ample reserves to provide strong fiscal stimulus to the economy in the form of tax cuts for the resource sector, cash injections into industry and regional budgets and the maintenance of social spending.

Growth was picking up by late 2009, and the government was confident that the worst was over, albeit without great hopes for a rapid resumption of high levels of growth. In June 2010 the Ministry of Economic Development (MER) outlined various scenarios for 2011–13 based on the price of oil. With oil at $US62–68 per barrel the expectation was for growth of 2.3–2.6 per cent per annum; with $85–90 oil growth would be 3.6–4.4 per cent (Ministerstvo ekonomicheskого razvitia 2010, 5–7). Outside observers, while not dismissing the government’s scenarios, have noted the downside risks. The OECD has argued that if the price of oil were to stay low for any extended period, given that the non-oil budget was already substantially in deficit even before the crisis fully hit, budget balance would be unsustainable and government debt levels would increase very rapidly (OECD 2009, 64). The IMF has been similarly cautious (International Monetary Fund 2010a, 14). Hanson sets out two scenarios in some detail. The first is a return to business as usual after a “short” crisis. Oil prices rise again to levels comfortable for the state budget and economic growth returns. But that growth only induces a consolidation of the badly balanced economic structure of the past, with, if anything, the access of “sunset” industries to subsidies and protection increased by crisis management habits and talk of modernisation hiding a traditional industry policy. Hanson’s second scenario is a “longer crisis leading to radical, systemic reform”. The radical, systemic reform might be what is needed in the long term, but the short term pain would be enormous, as the wounds of the crisis were compounded by those of the early stages of radical economic restructuring. The degree of pain could well be such as to warrant mention of a third scenario, of “a long crisis leading into an intensification of authoritarian control”. As Hanson points out, none of the scenarios is “exactly bursting with good cheer” (Hanson 2009, 36–45).

That is essentially because of the depth of the structural imbalances of the economy, even after two decades of wrenching change. Russia’s circumstances can perhaps be best appreciated by some comparisons with its erstwhile BRIC comparators, BRIC being an acronym coined by Goldman Sachs researchers in 2001 to identify the four countries, Brazil, Russia, India and China, most

<table>
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<tr>
<th>Table 23.1</th>
<th>GDP growth or decline in Brazil, China, India and Russia, 2004 07, 2008 and 2009 projected and outcome (% per annum)</th>
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<tr>
<td></td>
<td>2004 07</td>
</tr>
<tr>
<td>Brazil</td>
<td>4.0</td>
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<tr>
<td>China</td>
<td>11.3</td>
</tr>
<tr>
<td>India</td>
<td>9.3</td>
</tr>
<tr>
<td>Russia</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Sources: IMF World Economic Outlook database, reproduced in Hanson (2009, 25); International Monetary Fund (2010b).
likely to impress the world with high growth rates in the next global growth cycle. Some commentators, in looking at the comparisons, wonder whether a new acronym, without the R, is needed (Reuters 2009; Åslund 2010).

It is a combination of the sense that the worst is over and of the continued vulnerability of the economy that has driven the Russian economic debate to return to its pre crisis themes of the fundamental structure of the economy and the most appropriate strategies for consolidated growth. Although that debate, to be described in more detail later, is focused very much on how to escape the economy’s resource dependence, inevitably for some time to come Russian economic policy is going to have to deal with how to cope with the Dutch disease and resource curse consequences of that dependence: persistent inflation, an appreciating ruble, and two endlessly controversial redistribution issues, tax and inter regional transfers.

### Political implications of the structure of the economy

The high rents in the oil and gas sector have made it a major political battlefield. The whole privatisation programme of the 1990s was controversial, but in the oil sector especially so. The oil industry was broken up and corporatised in the early 1990s, before being privatised through investment tenders and the notorious loans for shares deals of the mid 1990s. Rosneft was left as a small, rump state owned company, while the majors, Lukoil, Yukos, Sibneft, Surgutneftegaz and various other lesser producers, passed into private hands (Sim 2008). The situation in the gas sector was quite different. Gazprom, the successor of the Ministry of Gas Industry, was not broken up in the way that the oil industry was. Shares in Gazprom were sold, indeed to the extent that for a while the state had less than a majority shareholding (Kryukov 2000). But it retained a quasi state owned status to the degree that when the state decided to reacquire a majority shareholding in mid 2005 no screams of “renationalisation” were heard.

There was enough variety in the post privatisation oil sector to inspire a number of studies of the relative merits of private versus state ownership, and of entrepreneurial private owners coming

### Table 23.2 The World Economic Forum view of financial market sophistication in Brazil, China, India and Russia in 2009-10

<table>
<thead>
<tr>
<th>Rank (n=133)</th>
<th>Score (range 1-7)</th>
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<tr>
<td>Brazil</td>
<td>51</td>
</tr>
<tr>
<td>China</td>
<td>81</td>
</tr>
<tr>
<td>India</td>
<td>16</td>
</tr>
<tr>
<td>Russia</td>
<td>119</td>
</tr>
</tbody>
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### Table 23.3 Indicators of technological capacity and achievement in Russia, Brazil, China and India, c. 2007

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Units</th>
<th>Russia</th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researchers</td>
<td>per million population</td>
<td>3,255</td>
<td>461</td>
<td>926</td>
<td>111</td>
</tr>
<tr>
<td>International patent applications</td>
<td>% world total</td>
<td>0.4</td>
<td>0.3</td>
<td>3.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Hi tech exports</td>
<td>% manufacturing exports</td>
<td>6.9</td>
<td>12.4</td>
<td>29.7</td>
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Sources: Various, compiled by Hanson (2009, 39).
from outside the sector versus owners who, while private, were seen as insiders with a more
traditional and even Soviet paternalist approach to management (Iji 2003; Fortescue 2006c, 91;
Dixon 2008).

The private hands which had seized the bulk of the Russian oil sector, along with kindred souls
in the metals sector, formed the core of the notorious Russian business oligarchy. While there was
debate in the Yeltsin period as to whether they formed a true oligarchy, that is, whether they
actually ruled (Fortescue 2002; Pappe 2000; Zudin 2000), they certainly had sufficient political
influence to make themselves enormously controversial. Their extravagantly lavish lifestyle amidst
widespread poverty did not improve their public image (Fortescue 2006c, Chapter 1).

To counter the overwhelmingly negative evaluations of their place in the economy as
rapacious asset strippers, it was pointed out by some commentators, including myself, that they
took over heavily indebted and corruption ridden companies struggling to maintain output
and markets. Through the ruthless imposition of strict financial controls, plus carefully targeted
investments in technology and production innovation, they turned the companies around and
established them as significant actors in global markets (Guriev and Rachinsky 2005; Adachi 2006;
Fortescue 2006c, Chapter 4).

The debate over how much power they had and whether their contribution was positive or
negative continued into the Putin presidency. Early on he famously declared the principle of
“equidistance” (ravnoudalennost’) – that oligarchs should have no more access to political power
than anyone else – a clear indication that he intended to cut them down to size. But if claims that
along with declarations of equidistance Putin also reached a deal with the oligarchs are true, it was
not a unilateral, unnegotiated change in relationship. The content of the “shashlyk agreement”, so
called because it was apparently reached at a shashlyk barbeque in 2000, is very much open to
question, as indeed is its very existence (Tompson 2005). But reputedly the terms of the agreement
were, on the one side, Putin’s guarantee of the property rights of private business and provision of
an efficient and honest state apparatus, and, on the other, the promise of the oligarchs to keep out
of politics (with much debate over what that meant) and to pay their taxes.

Despite the implications of equidistance, it could be argued that the first few years of
Putin’s presidency were the oligarchs’ Golden Age. They continued to enjoy formal and informal
direct contact with the president and they built up enormous influence in the parliament.
They used that influence to gain policy outcomes to their liking, particularly in tax arrangements.
They displayed sufficient confidence in the prospects of the Russian economy and their place in
it to invest strongly in their businesses. They opened up their share registers slightly and took
on large amounts of debt, mainly from Western banks, in order to finance those investments.
To make themselves more attractive to Western investors and lenders they improved their
corporate governance practices and sought to improve their popular image by claiming a
commitment to corporate social responsibility. Some new faces, such as Igor Zyuzin and
Alisher Usmanov, were able to work their way into the oligarch category. With high
commodity prices and cheap credit all oligarchs – and many private business people below the
oligarch level – thrived.

But signs of tension were not slow to appear. In shashlyk terms private business was increasingly
unhappy at Putin’s failure to provide an honest and efficient state bureaucracy. Complaints
along those lines were persistent in 2002 in particular. Perhaps it was on those grounds that the
oligarchs felt themselves justified in minimising their tax payments. Putin did not see it in those
terms. That matters were coming to a head could have been deduced from the famous public tiff
between Putin and Khodorkovsky in February 2003. At a meeting of business leaders with
Putin, Khodorkovsky presented a report on corruption that visibly irritated Putin, who referred
threateningly to how Yukos had obtained its assets (Sakwa 2009, 142–44).
The Yukos affair and beyond

The standard view of the Yukos affair – the arrest of Khodorkovsky’s colleague Platon Lebed in July 2003, Khodorkovsky’s own arrest in October 2003, and then the relentless bankrupting of Yukos – is that it represented Putin’s reaction to Khodorkovsky’s political ambitions, specifically his apparent claim to presidential ambitions (a statement that he did not see himself remaining at Yukos beyond 2007, taken as meaning that he would run for president in 2008); his funding of opposition parties (primarily Yabloko, although Yukos executives funded the Communist Party and indeed stood as candidates for that party); the funding of organisations designed to promote civil society, particularly among young people; and general talk of the need for a parliamentary republic in Russia. I am more of the view that it was about tax and the dominance of big business in economic policy making (Fortescue 2006c, Chapter 7).

Whatever the truth in that regard, it was widely expected that the destruction of Yukos represented the beginning of the end of oligarch political and economic power. Certainly the oligarchs quickly ceased throwing their weight around in the Duma, and they equally quickly abandoned their tax minimisation schemes. Commentators also point to the major increase in the level of state ownership at the strategic levels of the economy. The great bulk of Yukos’s assets ended up in the hands of Rosneft, making it Russia’s biggest oil producer; Roman Abramovich sold his oil company Sibneft to Gazprom; and one of Putin’s old KGB cronies, Sergei Chemezov, through his state corporation Rostekhnologiiia, looked likely to take over not just a whole range of industrial and transport sectors, including weapons manufacture, the vehicle industry and air transport, but to move into the resource sector as well. Rostekhnologiiia controls the state’s shareholdings in the Mongolian mining companies Mongoltsvetmet and Erdenet, and also has the licence to the Udokan copper deposit in the Chita region.

Note was taken not just of the increased levels of state ownership within the economy, said to have increased from 25–30 per cent to over 50 per cent since 2004 (Gosling 2010), but of the particular backgrounds of the individuals who managed the assets. Although the concept and its significance is a matter of debate among commentators, these new asset managers were described as siloviki, people from the state’s coercive agencies, the KGB’s successor the FSB above all. They were seen as closely linked with Putin, and to champion a particular form of nationalistically oriented authoritarian politics and state-run economics (Kryshtanovskaya and White 2003; Rivera and Rivera 2006).

Their rise was taking place in the context of often violently anti-business rhetoric and some times actions. In terms of actions, beyond the Yukos affair, in which many of Khodorkovsky’s employees were also arrested and often treated even more harshly than he was, there was a good deal of threatening behaviour in the redistribution of property rights in the defence industry sector in particular (Stanovaia 2007b; Denisova 2008b; Denisova and Nikolskii 2008), and the regular exile, arrest and occasional death in custody of business people from large to small.

In terms of rhetoric, two interesting examples come from the mining sector. In July 2008, at a conference devoted to the metal industry at a time of tension over rapidly rising prices for coking coal, Putin launched into a brutal attack on the absent and apparently ill Igor Zyuzin, head of the steel and coal producer Mechel, advising Zyuzin to get well soon or else he would have “to send in the doctor and clean out all the problems”. Mechel’s share price in New York collapsed and there was much excited talk about a new Yukos (Denisova 2008a; Rozhkova et al. 2008). In the other case, in June 2009 Putin arrived at the northwest Russian town of Pikalevo, where most of the town’s enterprises were closed because of the failure of their various owners, including the oligarch Oleg Deripaska, to agree on delivery volumes and prices for inter-enterprise deliveries of the many products and by-products involved in the nepheline based production of alumina.
Even by his abrasive standards Putin put on a particularly bad tempered display. He arrived four hours late. He rejected the offer of an enterprise manager to show him around with the words: “What sort of garbage dump have you created around here?” Most famously, noticing that Deripaska’s signature was not on the prepared peace agreement, he forced him to sign on the spot, even giving him his pen to do so but then demonstratively demanding it back, implying that the oligarch could not even be trusted not to steal the prime minister’s pen (Fortescue 2009a).

Despite the rhetoric, both cases contained reasons to temper views of the demise of the oligarchs and the triumph of state ownership and the siloviki who benefit from it. In both cases the rhetoric considerably exceeded action. The Mechel case was particularly unusual. In making his infamous call “for the doctor” Putin explicitly accused Zyuzin’s Mechel of engaging in transfer pricing in order to minimise tax, particularly in a repeat of his attack at a cabinet meeting a few days later. Post Yukos that was a serious accusation indeed. But other officials insisted that Mechel’s crime was no more than anti-competitive price gouging, the charge that was eventually brought against it and for which it paid a moderate fine. It is unclear whether Putin deliberately cranked up the rhetoric over a matter he never intended to pursue seriously, or whether officials successfully obstructed his efforts to create a new Yukos. One suspects the former. In July 2010 Putin apologised for his intemperate comments (Putin 2010). In the Pikalevo case Putin’s intervention was pure PR: a short term solution had already been negotiated the day before Putin’s dramatic visit to the town, one which was in fact generous to Deripaska, and no long term solution has been found to this day.

One should not dismiss out of hand the significance of the rhetoric, even if more often than not it is not backed up by action. It feeds off and fuels a popular rejection of the oligarchs (Yakovlev and Avraamova 2008, 263–67), while the negative popular attitude towards big business rubs off on to attitudes towards the market economy and even democracy as a whole. The state has an unfortunate tendency to adopt a populist approach to popularity by identifying “enemies” against which it and society can make common cause. At times business serves as the enemy, alternating for that status with, among others, the West, various countries of the near abroad and the migrant worker. Even if it is true that, as Stanovaia (2010) puts it, “for Putin this is a form of political self-expression, and business is used to it, … through it all the businesspeople understand that it is not going to have any fatal consequences for them”, it is not a good basis on which to build a stable and aspiring society.

Some qualifications to this gloomy view of Russia’s anti business culture and practice are in order. It is worth noting poll data that suggest that the population trusts state-owned business even less than it trusts private business (Kornia and Nikol’skii 2008). The greater suspicion of state owned business is evident in policy making circles as well. It was never likely that the cautious Putin would allow the siloviki to gain too much economic power, and so it was no surprise that the full scale nationalisation that was predicted post Yukos never happened. But the opposition to an expanded economic role of the state has gone further than can be explained purely by Putin’s factional caution. It is most strongly expressed in terms of opposition to the so called state corporations, state-owned businesses directly involved in commercial activity, the most controversial of which is Chemezov’s Rostekhnologiya. The law making process to set it up was subjected to strong and persistent obstructionism from a wide range of bureaucratic actors (Stanovaia 2008), and ever since there has been a strong campaign to change the legal status of the state corporations, with Medvedev as its chief spokesperson (Sterkin et al. 2010).

This is in the context of the global financial crisis not being used by the state to extend its control over the economy any more than the exigencies of the crisis itself have demanded and certainly not to the extent of the opportunity provided. The first major crisis event for Russian
business was margin calls from Western creditors on heavily indebted firms, as commodity prices dropped below the levels set in loan agreements. Since the securities on these loans were substantial shareholdings in some of Russia’s biggest companies, the implications for Russian business and the state were serious. The government, in emergency mode, agreed to take over the problem debts, through the state owned Vneshekonombank. In doing so it took over the shareholdings as securities as well. The companies included Rusal (the world’s biggest aluminium producer), Evraz (a major steel and coal producer part owned by Roman Abramovich), and Norilsk Nickel (through the 25 per cent of its shares owned by Rusal).

The reluctance of companies to be involved in the scheme – in the end only 20 per cent of the allocated funds were spent – and their determination to pay off the debts as quickly as possible suggest that their owners were aware of the risk of the state using their discomfort to take over their businesses. But the government, through its banks, has in fact continued when required to roll over the debts and the signs of it playing a major role in the companies’ corporate governance are limited. While it has been made clear that business is to keep redundancies to a minimum, generally it could be argued that throughout the crisis the government has not only not taken advantage of the situation to squeeze the oligarchs, but indeed has done a lot to assist in their survival.

The ambivalence over the appropriate relative roles of private and state business reflects the typically ambiguous attitude of Putin. He is irritated by oligarchs who do not obey him and frustrate his developmental goals; he has factional reasons to support the economic ambitions of the siloviki. But the factional reasons not to give them too much are also strong, and are perhaps reinforced by a belief based on Soviet experience that state ownership is not necessarily effective ownership (Stanovaia 2009; Pis’mennaia et al. 2010). This description of Putin’s attitudes is not shared by all commentators (Åslund 2010).

But whatever Putin’s personal beliefs the debate over the role of the state in the economy rages around him. It is not a debate from which business is excluded. The business sector has a voice in the policy process, whether it be through the lobbying activities of individuals or through the three main business associations, the Russian Union of Industrialists and Entrepreneurs representing big business, Delovaya Rossiya medium business, or OPORA small business. Although requests for highly formal representation are rebuffed (Kostenko and Glikin 2009), the business sector uses direct lobbying and influential allies in the government and Duma to present its interests. It is not the good old days, when direct access to Yeltsin got you anything or control of the Duma could get you a lot. But neither can it be claimed that business is shut out of the policy process. I have examined the business campaign to improve post Yukos tax administration in detail (Fortescue 2006a). Although implementation remains an issue, the legitimacy of business’s demands were largely recognised and policy significantly adjusted. In that case business used influential allies in the government and Duma to push its case. One could hypothesise that business’s absence from or failure in the policy process result as much from internal differences within the business sector as from state malice. In another case study I undertook, the painfully slow process of arriving at a new Law on Subsurface Resources, business played a limited role. It was an issue that divided the business community far more than an improvement in the behaviour of tax inspectors. In my analysis of that case I speculated that one of the reasons for the policy process being so drawn out was the absence of business as a united, logjam breaking policy actor (Fortescue 2009b).

There are those who see big business as still running the Russian state (Krichevskii 2009). Others see the field as having been left open for a cynically and graspingly corrupt state bureaucracy. The truth is no doubt somewhere in between. There is certainly still a place for private big business in the Russian policy process.
That begs the question whether Russia’s current owners deserve such a place and are able to provide benefits to the Russian economy and society. As already noted, I have rejected the view of those, among them keen supporters of private enterprise in principle, who find Russian big business to be a thoroughly negative example of the type. Without wanting in any way to disown my previous view, I am prepared to question whether the oligarchs remain the best bet for Russia’s future. Leaving aside questions of whether they exclude competitors from their own fields of activity and crowd out entrepreneurial talent in other sectors by monopolising credit and policy resources, there is a serious question about their qualifications to run their businesses in what we might call a post-transition economy. The answer to the question perhaps depends on one’s view of the place of highly entrepreneurial individuals in mature businesses. They had the drive, ruthlessness and openness to new ideas to seize struggling businesses and turn them around in very difficult circumstances. As conditions improved they were prepared to open up the share registers of their businesses and improve their corporate governance to the degree necessary to attract funding. Nevertheless, the desire for dominant control remained strong. This has led at best to an ambivalent attitude towards foreign investment, not just in their own firms but in Russia as a whole. And as the crisis has revealed, their dominance of decision making in their own firms has left them open to expansionist strategies that have in a number of cases outstripped their financial and managerial capacities. As a result they have not been able to achieve their ambitions of becoming truly global companies, despite active investment programmes abroad (Kuznetsov 2008; Fortescue 2009c).

The best known of whom this could be said is Oleg Deripaska. His headlong expansion of the aluminium company Rusal was driven by a real and urgent need to source reliable supplies of bauxite abroad, given Russia’s poor reserves of that basic input into the production of aluminium (Fortescue 2006b, 87–88). But the company went far further than was needed to feed its Russian smelters, launching into an orgy of foreign expansion funded by borrowings on a massive scale. As aluminium prices dropped, those borrowings became a heavy burden, and much of the foreign capacity was shut down (Fedorinova 2009). Another example is Severstal, which, through building green field capacity and buying existing capacity, including Henry Ford’s iconic Red Rouge plant in Dearborn, Michigan, became the fourth biggest steel producer in North America. Although less saddled by debt than Rusal, the company suffered heavy losses on those operations in crisis conditions and eventually put most of them up for sale (Terent’eva 2010).

These signs of “irrational exuberance” having been noted, it has to be said that the oligarchs have used the survival skills honed through the 1990s to survive the global financial crisis, and only partly thanks to the support of the Russian state and patient Western bankers. For better or for worse, the oligarchs live to fight another day, particularly from their home bases in Russia. It is hard to predict what might happen to them and their companies in the future. Releases of equity, so far small scale, might continue until their companies become publicly owned with no dominant shareholder. Another possibility is that they merge with other companies, perhaps foreign. There is the not altogether happy precedent of TNK–BP and the very unhappy aborted proposed merger of Yukos and Chevron. Severstal’s Mordashov was frustrated in his efforts to give up his majority shareholding in Severstal in exchange for a large but minority stake in Arcelor. At this point in time neither equity dilution nor merger looks likely, with no one – oligarchs, state or outside investors – much interested. That leaves, for the moment, biology as the only game breaker. One cannot help feeling that it would be unfortunate – as if all the pain and gain of the last couple of decades had been in vain – if after biology had had its way the assets returned to state control. That is not least because the potential is there for genuinely major global companies, bringing benefits to shareholders, state and society.
Modernisation

That the economy is too resource oriented and that some form of diversification is therefore needed is a virtually unchallengeable view in current Russian political and policy rhetoric. That does not mean, however, that there is not a huge debate over what needs to be done and how. It is a debate that has been going on one way or another since the collapse of communism (for an account of the debate in the Yeltsin period, see Fortescue 1997).

The participants in the debate in the pre crisis Putin years are generally identified as the party of stability, the party of growth, and the state interventionists. Based in the Ministry of Finance and headed by Aleksei Kudrin, Deputy Prime Minister and Minister of Finance, the party of stability’s basic policy orientation is shared by ministries of finance throughout the world: tax high, spend little. The basis for growth is the correct macroeconomic settings, in particular a balanced budget and the low inflation that follows (Pis’mennaia 2010). Certainly do not spend money on industry policy, even if it is dressed up as modernisation. The slogan of the party of growth is “tax high, spend a lot”. Spend the money to stimulate a high tech and innovative economy, but through market incentives and infrastructure spending rather than hands on state ownership and management. The Ministry of Economic Development (MER) is the institutional centre of this party. The state interventionists are far more inclined to put their faith in state ownership and hands on management. They have particularly focused on that approach within the defence industry and related sectors, as might be expected of a group that is often linked with the siloviki. Igor Sechin has traditionally been placed at its head. Chemezov is definitely a fully paid up member.

It will be noted that I have not allocated the oligarchs to any of these camps. They indeed do not sit comfortably anywhere. They do not get on with Kudrin. He thinks they should pay more tax and was as brutal in his treatment of Khodorkovsky as any of the “executioners in epaulettes” (Fortescue 2006c, 128). The oligarchs sometimes make pro party of growth noises, but again that camp wants them to pay a lot of tax so that it can be spent in other parts of the economy. It has been something of a problem for the oligarchs that they do not have a natural camp to which they belong.

If Russian economic policy were a “balance of forces” game, the party of growth, situated between the party of stability and the interventionists, would be the swing voter. The way the debate developed in the pre crisis period suggests there might be some truth in that view. In the pre crisis period, it was MER’s shift, pulled along by the then prime minister, Fradkov, towards a more industry policy approach that gave the debate its strength at that time (Stanovaia 2006). But, nevertheless, the party of growth is unlikely to move fully to the position of the interventionists. Its members are after all economic liberals by ideology, and are resistant to the predilection of the interventionists for state ownership and their often blatant personal lobbying.

Of course, Russian policy making is not entirely a “balance of forces” game anyway. There is a political leader who, although generally reluctant to take sides in policy debates that are not directly related to his personal political power (in which cases there will rarely be much debate), does have the power to decide issues if he so chooses (Fortescue 2009, 172–4). His own ideological position as far as economic policy is concerned is closer to the fiscal conservatives than anyone else. His experience of the Soviet Union and, one suspects, his personal knowledge of his silovik colleagues make him suspicious of state involvement in the economy. However, he appears to need to appease the siloviki at times, by handing them some juicy assets. In terms of the industry policy debate Putin has characteristically backed both sides.

Before the crisis the result of having a leader generally reluctant to take sides was that everyone got a bit of what they wanted, although the nature of the decision making and funding processes was such that if Putin took no side, the Ministry of Finance would win by default: it would block
the required decrees and laws and not transfer the money. This can be seen in the history of Russia’s sovereign wealth funds, with, up until the crisis, Kudrin successfully locking up much of Russia’s oil revenues despite the best efforts of his numerous enemies (Fortescue 2010). However, with the boom in commodity prices and ever bulging government coffers, the pressure to spend the money became ever more difficult to resist. The party of growth started to make headway, with, by early 2007, Putin appearing to be showing some support for it (Stanovaia 2007a). The likes of Chemezov rode on its coat tails.

The crisis intervened, with the party of growth being squeezed hard between the party of stability and the interventionists. Somewhat paradoxically both those groups remained strong through the crisis: Kudrin keeping the lid on government spending; sunset industries winning large subsidies, by playing on the fears of social unrest in the cities and towns they dominate. The party of growth lost out, with investment spending being cut hard (Netreba 2009).

But as things returned to normal, or the abnormal came to be seen as normal, the battle lines were redrawn. It increasingly appears that the major support for the interventionists during the crisis was a purely pragmatic response to the crisis. While they will surely not be neglected in the future, their power and access to resources appears to be past its zenith.

Medvedev has taken over the party of growth, and with his modernisation campaign has placed it, rhetorically at least, in a strategically dominant position. But the rhetoric does not reflect the real position on the ground. The party of growth, more often known now as the modernisers, struggles to put its policies into practice, and its efforts when it manages to do so are met with great scepticism. Rosnano and Skolkovo are the two big tests. Rosnano is the state corporation headed by Yeltsin’s privatisation boss Anatoly Chubais and charged with pushing Russia to the forefront of global nanotechnology (www.rosnano.com). Skolkovo is the R&D precinct to be built on the outskirts of Moscow, which is expected to draw leading edge technology entrepreneurs and firms from around the world (www.i gorod.com).

The weaknesses of the interventionists and modernisers leave the field open to the party of stability. Kudrin, despite regular predictions of his imminent demise, remains a powerful figure, with the support of Putin and, perhaps more grudging, of Medvedev. Kudrin’s scepticism of anything redolent of an industry policy could well suit Putin. He has a history of support for the view that Russia’s growth and technological development should be centred in the resource sector (Balzer 2005; Tatarinov 2005), even if, as just mentioned, in more recent times he has backed away from the resource centred model. But whether out of a genuine conviction that resource based growth is the only realistic source of growth in Russia, or because resource based growth maximises the opportunities for his self enrichment and that of his cronies, one suspects that he still hankers for such an approach, particularly as Medvedev becomes more committed to a non resource approach.

**Conclusion**

I cannot help feeling that Putin’s approach – if indeed it is his approach – is the most likely to prevail – and not only because Putin is likely to continue to dominate Russian policy making. Years of studying Soviet and post Soviet innovation have left me with a scepticism towards “modernisation” programmes that borders on prejudice. Nevertheless, it is hard to see the incentive structures to push bright, hard driving entrepreneurial types in the direction of industry oriented modernisation being in place or in prospect; nor are there the financial, smart engineering and marketing structures to help them if they do.

If that be the case, Russia’s economic and political prospects will continue to be open to examination in Dutch disease/resource curse terms. To arrive at an ownership structure for such a
rent rich sector that is politically legitimate and economically efficient will remain a challenge. Meeting it would not in itself give Russia a legitimate state presiding over a consensual society based on the market and free enterprise. But that goal cannot be achieved without it. Redistribution issues, in particular taxation, will be no less fraught, as the resource sector fights for a tax regime which in its eyes leaves enough for investment, while other interested parties, including other business sectors, put in claims for their fair share of resource rent. The other big redistribution issue, between the regions, will be no less fraught. Foreign investment will continue to be controversial, as the state and Russian firms struggle to find a balance between getting the funding and knowing how they need without giving up control of the “national estate”. And the more mundane but no less crucial issues of exchange rate policy, dealing with the potentially inflationary effects of oil and gas receipts (sterilisation), and wealth funds will remain prominently on the policy agenda. Business will continue to demand and be granted access to these policy debates.

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The business sector in post-Soviet Russia

Peter Rutland

Twenty years after the Soviet collapse, business–state relations in Russia are still very much a work in progress. After a decade of dissolution in the 1990s, the Russian state has revived under a centralised, authoritarian system of rule, one in which most democratic elements (such as free media and competitive elections) have been purged from the system. However, many observers argue that the political regime is weakly institutionalised, and its architecture rests on the personality of the “national leader” Vladimir Putin, raising questions about its long-term viability.

In the space of a decade Russia managed to transform itself from a state-owned, centrally planned system into a predominantly capitalist economy. The main locomotive of the economy is the export of energy and metals, sectors in which the state continues to play a decisive role. Formally, the bulk of the economy is owned by private corporations who are profit seekers, responding to the laws of supply and demand and not state orders. The broad (albeit inefficient) Soviet social welfare state was allowed to collapse, and the new private businesses divested themselves of most of the social obligations which had been carried by the old state enterprises. So in broad terms Russia seems to have abandoned the quest for a unique development model that had become its national mission during the Soviet era, and has made a strategic choice to embrace the logic of globalisation, adopt prevailing capitalist institutions, and integrate with the international economy. The most substantial market reforms were undertaken in the 1990s. According to the European Bank for Reconstruction and Development’s index of market reforms for Russia, by 2009 Russia had completed 55 steps of a total of 90 on their checklist; 45 of the reform steps were achieved between 1991 and 2000 and only 10 since then (EBRD 2008).

However, it is difficult to come up with a simple formula to characterise the Russian economy. It is not a liberal market economy along Anglo-Saxon lines, despite the fact that the government accepts that capitalism is the most effective engine of growth, and pays lip service to many of the tenets of neoliberalism. Nor, however, is Russia a social market economy along German lines. Labour unions are weak; the state is only minimally responsive and accountable to the electorate; and there is no institutionalised bargaining between the state and representatives of labour and capital. It is tempting to categorise Russia as another case of “crony capitalism”, since key decisions are made by a small network of individuals with no transparent institutional basis for their relationships (Sharafutdinova 2011). However, state institutions and the corporate sector in Russia are more formally institutionalised than is normally the case in classic “crony capitalism” models such as South Korea under President Park Chung hee, the Philippines under Ferdinand Marcos, or Suharto’s Indonesia.
Russia can be characterised as a petro state, since more than half its export earnings and government revenue stem from oil and gas. It confirms the covering law of the “oil curse” – that no country whose economy is dependent on oil has ever become a democracy if it discovered oil before democratic elections took place (Boix 2003). However, Russia has some important features that distinguish it from most other petro states, such as Venezuela or Saudi Arabia. It still has a fairly robust industrial base, accounting for 17 per cent of employment in 2009 – about the same level as Japan, and higher than the United States, at 12 per cent (Federal State Statistics Service www.gks.ru). It has a more diverse range of resources than most petro states – not only oil, but also natural gas, and a broad range of metals. Finally, in all the other petro states the oil industry is controlled by a single state owned corporation. But in Russia, the oil sector was broken up into a dozen competing corporations (although the natural gas industry was privatised as a single corporate entity, Gazprom). This adds an element of pluralism, or at least complexity, not seen in other petro states. It is not a situation where a giant energy monopoly simply dictates policy to state officials. Government policy to such things as entry into the World Trade Organization or carbon emission trading is pulled in different directions by the rivalry between the competing energy barons. This opens a wider space for lobbying by other industrialists.

The political and economic context

The Russian economy has gone through wrenching changes over the past two decades. In the 1990s a series of political crises (the struggle for power between President Boris Yeltsin and the parliament in 1993, Yeltsin’s bid for re-election in 1996, and the search for a successor in 1999) were interspersed with economic crises (privatisation scandals, bank crises, and the August 1998 financial crash). Since 2000, the crises have receded in frequency and intensity. Vladimir Putin quickly established himself as a strong and popular president, and was fortunate enough to preside over an economy that was growing at around 7 per cent a year (thanks largely to a booming world oil price) until the 2008 global economic crash. The latter was a major shock to the system, but had less impact than the 1998 crash, both economically and politically. In current dollar prices, GDP went from $200 billion in 1999 to $1.23 trillion in 2009. Russia moved up from being the 20th largest economy in the world to the 12th (World Bank 2010). Russia’s real Gross National Income per capita (in constant 2000 dollar equivalents of purchasing power parity, or PPP) rose from $5,964 in 1998 to $14,330 in 2007 (World Bank 2007, 15). But fear of a return of the earlier chaos still shapes the mindset of many political and economic actors, to which has been added a new fear – of growing state authoritarianism.

Two positive trends nevertheless emerged during the 1990s. First, Russia became a market economy, albeit one with “Russian characteristics”. Sixty-five per cent of economic activity takes place in legally independent private corporations, and a similar proportion of economic transactions take place through market clearing prices. The centralised command economy was smashed, although elements of such a model persist at local level in some regions (especially in ethnic republics such as Tatarstan or Kalmykiya).

Second, Russia has become much more integrated into the global economy than was the Soviet Union. Trade went from 17 per cent of GDP in 1990 to 48 per cent in 2004. And most of this trade is with Europe, not with the former Soviet states. As of 2010, the Commonwealth of Independent States only accounted for 15 per cent of Russia’s export and 23 per cent of its imports.

This external opening has been the most dynamic and successful aspect of Russia’s market transition. It means that the state–business relationship within Russia must be understood against
this broader backdrop of Russia’s deep engagement with international trade and investment flows. But Russia’s charge into the global market was led by the energy sector. Clearly, Russia’s comparative economic advantage lies in energy and in energy-intensive industries such as metals processing and chemicals. Energy alone accounts for 60 per cent of her export earnings. Whether energy accounts for 9 per cent of the entire Russian economy, as Goskomstat reports, or 25 per cent, as the World Bank calculates, it has clearly been driving the post-1998 economic recovery (Tabata 2006. The wide divergence in estimates is a result of imponderables like domestic price distortions and the hiding of oil export revenues in transport costs and other residuals). But this energy led development model faces several important challenges which, if not resolved, will severely hamper Russia’s future prospects. All around the world oil-based economies tend to see lower levels of economic development outside the energy sector, and higher levels of political corruption. Russia’s energy dependent political economy makes it more difficult for other business sectors to thrive, unless they can develop a stable working relationship with the fractious state energy conglomerate.

President Dmitry Medvedev has pledged to tackle these problems and push through a broad and deep modernisation of the Russian economic system. But his first two years in office were absorbed with damage control from the 2008 global financial crisis, and as of 2010 he had little to show for his efforts.

The evolution of state–business ties

In the course of the 1990s, a few dozen astute and aggressive entrepreneurs managed to forge successful business corporations that in the 2000s would go on to become prominent players on the global economic stage. In little over a decade Russia went from being a country where entrepreneurship was a crime to one which had produced dozens of individuals with a net worth of more than one billion dollars. By 2004 there were 36 billionaires, the third highest number in the world (“Rising Tide”, Forbes, 15 March 2004 – Forbes counted zero Russian billionaires in 2000 and 17 in 2003). Their number peaked at 101 in 2008, shrinking to 49 in 2009 in the wake of the global crash, but rebounding to 77 in 2010 (Finans, 16 February 2010, www.finansmag.ru/94502/). The combined wealth of the top ten alone stood at $1.39 billion in 2010, down from $221 billion in 2008. When the Forbes list was first published in 2002, 38 per cent of its members had made their fortunes in oil and manufacturing, and 12 per cent in finance and technology. By 2006, 36 per cent were from finance and technology, and 17 per cent from manufacturing and oil.

In a World Bank (2004) study of industrial concentration, as of 2001, the country’s 23 largest firms were estimated to account for 30 per cent of Russia’s gross domestic product, and these firms were effectively controlled by a mere 37 individuals. (The study was conducted in 2003 and was looking at company structure as of 2001.) By international standards, this is an astonishing concentration of wealth and industrial power in such a large country, all the more surprising given that this entire economic elite did not exist 15 years previously. In part, this high level of concentration of ownership can be seen as a rough and ready solution to problems of enforcing property rights in the absence of a strong rule of law.

Yet in July 2003 prosecutors started arresting top executives of Russia’s largest oil company, Yukos, on various fraud charges. And on 25 October 2003 the richest man in Russia, Yukos head Mikhail Khodorkovsky, was himself jailed on vague charges of tax evasion, and he was ultimately sentenced to an eight year jail term (Byanova and Litvinov 2003). One could not ask for a more vivid illustration of the limits of business independence in Russia. The fact that business had evolved as a narrow oligarchy made it relatively easy for the state to recapture the commanding
heights of the economy under President Vladimir Putin. But even as late as 2003, most observers assumed that the system of oligarchic capitalism had stabilised: few foresaw Putin’s crackdown.

So business at the highest level can be seen as a product of two powerful forces: a new born, rapidly expanding capitalist elite, facing off against a reviving state apparatus with very deep historical roots. It would not be easy for these two blocs to find a modus vivendi which would satisfy their respective interests and objectives. And in the meantime society at large, including the small business sector, tended to get shut out of the collective decision making process.

The first phase (1992–94)

The first period of chaotic liberalisation and voucher privatisation launched in 1992 saw the rapid emergence of a multitude of independent economic actors – from street traders, now allowed to buy and sell in public markets, up to factory directors, now free to “privatise” their still state owned factory cash flows by routing sales through intermediary firms (Åslund 1995). This process saw a leakage of power from state to non-state actors, and from the federal centre to the regions. Individual regional leaders signed bilateral treaties with President Boris Yeltsin on the division of responsibilities with the federal centre, beginning with Tatarstan in 1994. (By 1996, 46 of Russia’s 89 regions had signed such treaties.) The period also saw the breakdown of respect for the law and a surge of crime and corruption.

While market forces penetrated large sections of economic activity, the Russian economy as a whole was only partially marketised by the Yeltsin reforms. In the face of runaway inflation, a cash squeeze, and the breakdown of bank credits, a parallel economy sprang up, where factories traded goods with each other through physical barter or using pseudo currencies such as bills of exchange. This parallel economy accounted for perhaps half of all business to business transactions, and served to preserve Soviet era patterns of informal, reciprocal trading for much of the 1990s (Ledeneva 1998; Woodruff 1999). Many managers tried to preserve their “work collectives”, even if the money was not there to pay wages on time.

Alarmingly, in the newly emergent market economy businesses started using criminal groups and not the courts to enforce contracts and secure their property rights (Varese 2002; Volkov 2002). Most businesses acquired a “roof” (krysha): a criminal gang or private security company who would handle physical security and provide protection and dispute resolution. This criminalisation of Russian business in the 1990s was a highly volatile process that opened the door to a later counter-offensive by state security organs in the 2000s. The lack of a firm legal basis for their rapidly acquired wealth made the new business elite vulnerable to attack by the state, the guardian of legality. The rapidity and rapaciousness of their enrichment meant that they lacked a strong social basis of support, such that when the state came knocking on their door it would be with public support, not disapproval.

The second phase (1995–98)

The first phase of “wild privatisation” was followed by a period of gradual consolidation. More powerful competitors pushed out their weaker rivals, and economic power was concentrated in the hands of a small number of individuals. These figures headed business corporations, but had close connections to the political leadership at national or regional level. Russia had dismantled an autocracy, but instead of rule by the many (democracy) it had arrived at rule by the few (oligarchy). Most of these oligarchs headed private corporations formed on the basis of former state enterprises, such as regional oil companies, banks, or metallurgical plants. They typically made their first million through commodity trading, importing scarce goods, or financial
brokering, and used this seed capital to expand by acquiring state assets as they were privatised (Brady 1999; Freeland 2000; Klebnikov 2000; Brzezinski 2001).

Most state enterprises were sold off under the 1992 privatisation law which gave priority to shares being handed over to the plant’s workers. In practice, those companies swiftly came under the control of a small group of insider managers: in some cases they were subsequently sold to outsiders. A pivotal event in the transition to oligarchy were the loans for shares auctions in 1995–96, when key firms such as Norilsk Nickel and the Sibneft oil company were sold off at bargain prices to politically favoured bankers who had “loaned” money to cover the state’s budget deficit (Fortescue 2007). Even though only 12 firms were privatised through loans for shares, they were highly visible and highly lucrative operations. The businessmen who benefited from loans for shares played a leading role in helping Boris Yeltsin win re-election in June 1996, by putting their financial and organisational resources at the president’s disposal. Above all, it was the mobilisation of their press and TV empires which pulled Yeltsin through to victory.

The oligarchic consolidation in 1994–96 coincided with a degree of macroeconomic stabilisation. Inflation came down from 1500 per cent in 1992 to 12 per cent in 1997. GDP even recorded slight growth of 0.7 per cent in 1997, after seven years of decline. It was at this point that the term “oligarch” entered the Russian political lexicon. In spring 1997 it was taken up by Boris Nemtsov, a deputy prime minister who was pushing for a new round of liberal reforms, along with fellow deputy premier Anatoly Chubais. Nemtsov and Chubais wanted to cut corruption and introduce more competition into the “crony capitalism” that had been forged between the newly emerged oligarchs and the weakened state.

This 1997 reform drive failed in the face of energetic opposition from regional governors and business oligarchs, who mobilised their supporters in the State Duma. Moreover, the macro economic stabilisation proved illusory. The government was borrowing heavily to cover its budget deficit, and the Asian financial crisis in 1997 caused a slump in world oil prices that eroded Russia’s current account surplus. That led to a run on the ruble and the dramatic devaluation and debt default in August 1998.

The demise of oligarchic capitalism was due to deep contradictions in the model, and not merely contingent factors such as Yeltsin’s physical incapacity or the August 1998 financial crash. Two contradictions stand out. First, the oligarchs were parasitic on the Russian state. They were draining it of assets and revenues, to the point where the soaring budget deficit and profiteering from high interest treasury bonds helped trigger the 1998 crash. Second, the oligarchs were deeply divided among themselves. They did not trust each other, fighting bitterly over the privatisation of the telecom holding company Svyazinvest in summer of 1997, and over the Yeltsin succession in 1999.

At the end of the Yeltsin era, Russia’s evolution towards what is regarded in the West as a “normal” market economy was stalled in midstream (Hellman 1998). Powerful leaders had a vested interest in preserving the status quo, and there was no significant coalition of groups with a stake in further reform. The economy had been sufficiently liberalised to enable the oligarchs to enrich themselves, but not so much as to expose them to effective competition (from foreign companies, for example). However, this hybrid model would not prove sustainable.


The oligarchs did not have a mechanism for resolving disputes among themselves; they had to appeal to Boris Yeltsin. Given that Yeltsin was physically incapacitated for much of the time, this meant they competed for the favour of the Kremlin courtiers (the “family”) who controlled access to the president. Yeltsin’s second and final term as president was due to end in June 2000, and the
The business sector in post-Soviet Russia

The oligarchic system did not have any procedure in place for picking a successor. So it was looking increasingly unlikely that Russia’s nascent system of oligarchic capitalism would survive beyond Yeltsin’s term in office.

New president Vladimir Putin said that his intention was to continue market reform and not to revisit Yeltsin’s privatisation programme. It looked as if Putin wanted to strengthen the power of the state but not break the pluralistic character of the system as a whole (Astrakhanova 2001). Adding to the sense of continuity was the fact that many key figures from Yeltsin’s inner circle were kept on, such as chief of staff Aleksandr Voloshin and Prime Minister Mikhail Kasyanov.

But Putin proved more independent than many observers had supposed, and he moved swiftly to distance the oligarchs from the centre of political power. In the summer of 2000 Putin won back control of the two national TV stations owned by Boris Berezovsky and Vladimir Gusinsky, driving them into exile. Most of the other oligarchs assumed that so long as they kept away from mass media (television in particular) it would be business as usual.

Still, some of the oligarchs envied the power of the president. In spring 2003 Mikhail Khodorkovsky, the founder of the Yukos oil company and the richest man in Russia, started signalling his interest in a political career. Rumours began circulating that Khodorkovsky intended to run for the presidency in 2008 – if not in 2004. Yukos was active in buying the loyalty of State Duma deputies, and did not hesitate to use its leverage to block legislation that it disliked, such as higher oil excise taxes and revisions to the law on production sharing favourable to foreign investors. In the December 2003 State Duma election, Khodorkovsky poured money into parties across the political spectrum. Yukos linked analysts were floating the idea of introducing a parliamentary system of government, in which the government would be answerable to the State Duma (presumably oligarch controlled) rather than to the president (Oligarkhi zagovorschchiki 2003; Sovet po natsional’noi strategii 2003).

On the economic front, Khodorkovsky tried to strengthen his position by adopting international accounting standards and adding Westerners to the Yukos board, with a view to offering a large stake in the company to a Western oil major (Romanova 2003). This would enable him to cash out some of his share holdings, valued at their peak at $15 billion. To increase Yukos’ attractiveness he tried to develop new export possibilities, outside the state owned Transneft pipeline system. He pursued an agreement with China to finance a $3 billion pipeline to carry oil from Angarsk in Siberia to Daqing in China. This would have been the first privately owned oil export pipeline in Russia. The project was provisionally approved in a meeting with Putin and President Hu Jintao in April 2003. Khodorkovsky also mounted an aggressive international PR campaign, funding international charities, and getting himself appointed to worthy foundation boards. He thought that these steps would make it too risky for Putin to take him down. But his strategy backfired. The more successful he was, the greater the threat he represented to the Kremlin. In the summer of 2003 Putin gave the green light for the arrest of Khodorkovsky and half a dozen other Yukos executives, and the dismemberment of Yukos.

The oligarchs had underestimated Putin’s power and his political acumen. Putin had the vast resources of the Russian state at hand, a cornucopia of sticks and carrots that soon won the loyalty of virtually all the regional bosses and business leaders. The security apparatus of the Soviet state, the renamed Federal Security Service (FSB), had shrunk in size, but was still intact and eager to expand its sphere of action once its former leader became president. Putin also enjoyed huge popular legitimacy, having been directly elected in March 2000, and again in March 2004, and maintaining approval ratings above 70 per cent in the intervening period. The Yukos affair dramatically confirmed that the tax inspectors, the courts, and the security services were all willing tools of the Kremlin. The introduction in 2000 of seven federal districts headed by presidential
representatives restored the president’s ability to exert direct control of the power organs in all regions of Russia. In the absence of clear property rights that could be defended in an independent court system, Russian business was very vulnerable to state pressure.

The new business corporations were powerful political actors, with considerable economic resources and direct access to the political power elite. But the headlong speed of their rise meant their popular legitimacy was fragile and social base weak (Peregudov 2002, 2003). Both state and society were suspicious of business, a value orientation that had deep roots in Russian culture. Big business was associated with injustice. According to a 2003 ROMIR poll, 45 per cent considered the influence of big business on the economy as negative and only 25 per cent positive. Their influence on politics was seen as negative by 49 per cent and positive by 17 per cent (Gorin et al. 2003).

Yeltsin’s political economy was built around horizontal bargaining between a plurality of actors. Putin replaced Yeltsin’s system with a centralised, authoritarian hierarchy, the “power vertical”. By 2004 it was clear that the Yeltsin regime had given way to a system of what may as well be called “state capitalism”. Aleksei Zudin (2001) argued that Putin set out from the very beginning with such a goal in mind: to fundamentally weaken the oligarchs and turn them into a subordinate group, an instrument of state rule. Peregudov (2002) in contrast saw more of a balance, an “iron triangle” of a bureaucratic elite, the presidential apparatus, and business corporations. There is no doubt that the oligarchs had the ability to veto certain policy initiatives during Putin’s first term, thanks to their influence in the State Duma (Nash 2003). But the Yukos affair destroyed this shaky balance.

**Economic policy in Putin’s first term**

The most important unfinished reform item from the 1990s was the need to restructure the “natural monopolies” – the railways, Gazprom, and the electricity giant Unified Energy Systems (UES) – which were still under state control, and whose regulated prices underlay and distorted the entire market economy. In 2001 Putin replaced the long standing head of Gazprom, Rem Vyakhirev, with a young economist from St Petersburg, Aleksei Miller. Gazprom’s $15 billion annual exports made it Russia’s largest cash earner and the second largest employer after UES. It had more than its share of scandal, with new revelations surfacing in 2001 about dubious international transactions through its subsidiary Itera. Nevertheless, Putin rejected suggestions that Gazprom be reformed or broken up.

Putin tried to move ahead with reform of the electricity monopoly UES, but he retreated in the face of stiff resistance and the sheer complexity of the task. UES was Russia’s largest employer, with revenues of $16 billion. It provided another $7–10 billion in subsidies to domestic customers through artificially low prices. Former privatisation chief Anatoly Chubais had been appointed to head UES in 1998, and Putin kept him on. Chubais prepared a plan to privatise the company by breaking it up into regional energy companies while creating a national electricity market. The government agreed to this reform in November 2001, and the bills passed first reading in the State Duma in October 2002. But it then ran into opposition from regional governors and rival oligarchs, supported by Chubais’ opponents inside the government. Only Putin’s firm support for Chubais and the latter’s relentless energy kept the proposal alive.

UES could only be privatised if the new companies had a chance of making a profit. This meant that utility prices would have to be raised and customers in arrears would have to be cut off. Efforts to introduce such measures triggered public unrest, especially in energy deficient regions such as the Russian Far East. The Federal Energy Commission set a ceiling of 14 per cent for utility rate increases for 2003, but regional energy commissions rose rates by double that amount, causing
public unrest. Actual implementation of the plan was postponed until after the 2003–04 election cycle. The rise in utility prices was still not enough to close the gap between actual production costs and what consumers were being asked to pay. This meant the regional branches of UES fell even further behind in their long overdue investment programme. In the end, it was not until July 2008 that UES was finally broken up into 20 private regional energy companies. More price increases were due to be phased in by 2012, but the 2008 economic crisis made it impossible for the newly privatised regional companies to follow through with their promised investment plans without additional state support.

As with the natural monopolies, the reform of the bank sector proceeded at a snail’s pace. In 2002 the conservative head of the Central Bank, Viktor Gerashchenko, was replaced. But there was no progress in restructuring or improving regulation of the commercial banks, which had been devastated by the 1998 crash. The foreign trade Vneshtorgbank was not privatised as promised. In 2002 the 12 per cent ceiling on foreign ownership in banks was abolished, and a law on mortgage collateral adopted. Seventy per cent of deposits were still lodged at the state owned Sberbank. A long overdue law introducing deposit insurance for private banks was passed in November 2003. Steps to tighten bank regulation in preparation for deposit insurance triggered a run on several banks in April 2004. Even the leading Alfa Bank was besieged by panic-stricken depositors, in a worrying echo of earlier bank crises. Throughout this period, Russian banks did a poor job of serving their core function of pooling savings and making loans to companies to enable them to expand. Most investment was funded by ploughed back profits, while the largest companies also raised funds on international capital markets.

Business–state relations

Putin made some efforts to institutionalise business–state relations, but the context became one of control rather than dialogue. He instituted regular face to face meetings between the president and leading business executives, about twice a year. On 28 July 2000 Putin met with 21 leading businessmen in the Kremlin, mostly from energy companies (Slavutinskaya 2000). In contrast to previous meetings between Yeltsin and business leaders, this time it seemed to be the president laying down terms to the oligarchs, rather than the other way around. Putin cautioned the oligarchs to stay out of politics and pledged to maintain “equidistance” from them as president, not favouring one over the other (Vishnevshey et al. 2001). Subsequent meetings were usually low key affairs discussing issues like trade policy and customs reform, and even these modest gatherings ground to a halt in the wake of the Yukos affair. Business leaders were fearful that Putin would give in to pressure from the nationalists in the Duma and the security bloc (siloviki) in his own administration, and embark on wholesale renationalisation of the industries privatised in the 1990s.

In November 2000 Putin selected the Russian Union of Industrialists and Entrepreneurs (RSPP) as the designated interlocutor with the business community. “Putin issued a ‘royal command’ for all Russian business leaders to unite in the RSPP and to submit all complaints via this body, collectively, after working out a common opinion” (Bogaturov 2003; Yefimov 2003). The RSPP was a rather staid, decade old organisation representing traditional state owned factories, but in 2001 it found itself taken over by the brash new oligarchs. The RSPP remained split between neoliberals and neo statists, which inhibited their ability to give clear advice to government development plans.

The Kremlin decided to spread its bets, lest the RSPP become too independent minded. They encouraged the formation of alternative groups such as Delovaya Rossiya and the United Entrepreneurs’ Organisations of Russia (OPORA), which was supposed to reach out to small
and medium enterprises. In December 2001 former prime minister and Putin supporter Yevgeny Primakov was appointed head of the Chamber of Commerce and Industry (TPP) (Izvestiya, 11 December 2001).

Most business lobbying under Putin, as under Yeltsin, took the form of direct approaches to government officials by business groups, either individually or by industrial sector. They lobbied for tax breaks, for protective tariffs, and for government contracts. Companies’ lobbying efforts ebb and flow depending on national and international trading conditions. Thus for example the steel industry, dominated by the Big Four companies (Novolipetsk, Severstal, Magnitka, and Evraz), were lobbying for state protection in 2001, but by 2004 they were born again free traders (Butrin 2004). The most salient example of state favouritism is the auto industry, which was kept alive after 1991 by high tariffs on imported cars and myriad obstacles to new foreign joint ventures (Gurova and Rubchenko 2009; Kuboniwa 2009). Domestic production rose from 1 million in 2001 to 1.5 million in 2008, by which time imports had reached 2 million. In December 2008 an increase in tariffs on imports (to 30 per cent for new and 35 per cent for used cars) triggered one of the largest mass protests of the post Yeltsin era, orchestrated by car dealers in Vladivostok.

The legislative branch attracted a lot of attention from businessmen in the late 1990s. In the elections of 1995 and especially in 1999, many businessmen spent hefty sums to try to win a seat in the Duma. Their motives were often more individual than political. A Duma deputy is immune from prosecution unless the body votes to strip him of this privilege. Also a Duma seat would bring contacts useful for spreading their business beyond their home region. Business connected deputies were so influential in the Duma, and in the Federation Council, where they held more than half the seats, that they were effectively substituting themselves for the role conventionally played by political parties. Leading corporations like Yukos and Gazprom were also the most politically active, with Gazprom supporting an estimated 130 candidates in the 1999 elections (Kolmakov 2003). In the 2003 election roughly 20 per cent of the candidates were directly linked to business corporations, even including the Communist nominees (24 per cent of whose candidates were thus identified) (Mereu 2003). These business friendly representatives served their paymasters well, blocking new legislation on everything from the closure of tax loopholes to new production sharing legislation that would allow in more foreign investors.

In return for favours from the state, businessmen were expected to contribute to social and charitable causes at regional and national level. Prominent examples included the donation of 50 kilograms of gold by SBS Agro Bank founder Alexander Smolensky to gild the domes of the Cathedral of Christ the Saviour that was rebuilt in central Moscow in 1995. In 2004 Viktor Vekselberg, founder of TNK oil and SUAL, spent about $100 million for the Fabergé egg collection of the Forbes family in New York that was subsequently displayed in the Kremlin.

**Corporate governance and ownership structures**

When Putin took office, the Russian government continued to hold a large stake in a broad range of Russian industries. Despite his avowed commitment to further privatisation of state owned assets, in the wake of the Yukos affair the private sector’s share of the overall Russian economy contracted, falling from 70 per cent in 2000 to 65 per cent in 2008. At the same time there was increasing concentration within the private sector, with the top 100 firms accounting for 60 per cent of GDP in 2008, up from 50 per cent in 2000 (Liuhto and Vahtra 2009). The top 30 alone accounted for 23 per cent. The list was headed by Gazprom ($93 billion sales), Lukoil ($67 billion), Russian Railways ($38 billion), Rosneft ($35 billion), and UES ($32 billion). The government controlled four of the top five, the exception being Lukoil. Through interlocking shareholding, five conglomerates (Alfá, Base Element, Interros, Sistema, and Severstal) control an estimated 40
per cent of the top 100 firms. Three firms (Norilsk, Severstal, and Rusal) account for 50 per cent of the country’s metals output; two banks (Sberbank and the Development Bank) hold 60 per cent of bank deposits.

To a surprising degree Russian industry remains in the hands of private corporations often owned and controlled by one or two individuals. According to one survey of 1000 firms in 2005–6, 35 per cent had a single majority shareholder – and 29 per cent had a government representative on their board (Guriev et al. 2007). Minority shareholders were present on the board in only 24 per cent of firms, and a mere 9 per cent used international accounting standards.

As the business and political fortunes of these magnates wax and wane there is a steady stream of personal feuds and corporate ownership battles. A prominent example was the struggle for control over Norilsk Nickel between Oleg Deripaska’s Rusal and Vladimir Potanin’s Interros. In 2008 Deripaska bought 25 per cent of Norilsk from Potanin’s former partner, Mikhail Prokhorov, triggering a battle for seats on the board that was (temporarily) settled when former Kremlin chief of staff Aleksandr Voloshin was appointed board chair (Filatova 2010). These battles complicate the ability of business to present a united front to the state – and the state’s ability to impose uniform conditions on the private sector.

Even leaving aside the exceptional case of Yukos, corporate governance throughout Russia’s newly minted private sector leaves much to be desired. Nearly half of Russian companies routinely report that they are running at a loss. Many of them only survive thanks to state subsidies (such as toleration of tax and utility arrears); many are probably under reporting income in order to evade taxation. Stock ownership is often opaque, with actual beneficiary owners hiding behind a *matrioshka* of offshore holding companies. Prime Minister Mikhail Fradkov complained that “many companies, including large ones, do not disclose their real owners, do not disclose an exhaustive list of affiliated firms and people, and continue to act, not always legally, through offshore zones” (Interfax, 4 June 2004).

In 1998 a new bankruptcy law was introduced, intended to make it easier to sue debtors (under the 1992 law, debts had to exceed assets). The new law was used by unscrupulous businessmen holding modest unpaid bills to tie up major companies in bankruptcy proceedings in obscure regional courts. Sometimes the goal was blackmail; other times entrepreneurs used the procedure to seize ownership of companies they coveted. Regional governors also used bankruptcy to repel outsider owners and evade federal taxes. In dozens of cases rival court decisions were resolved through pitched battles among private (and public) security agencies. Eventually in 2002 an amendment to the law closed most of the loopholes. In general, minority shareholders are offered few protections under Russian law and were often grievously exploited by company’s controlling interests through share dilution and even artificial bankruptcy (Volkov 2004).

The World Bank’s governance indicators place Russia in the bottom quartile among all 134 countries surveyed as of 2009 (World Bank 2009). Other upper middle income countries with a similar level of economic development are to be found at the 60th percentile. Russia is ranked 128th for minority stockholders’ rights, 112th for ethical behaviour, and 108th for auditing standards. Somewhat surprisingly, the efficacy of corporate boards ranks 35th and the ease of obtaining a licence 44th. Labour market competitiveness is ranked high (27th), thanks to the ease of hiring and firing (23rd), despite a high social insurance tax (at 31 per cent of wages, ranked 112th).

The oligarchs controlled a large chunk of the Russian economy, but not all of it. At the other end of the scale, small businesses (defined as those with turnover less than 400 million rubles or $13 million a year and less than 100 workers) have been mostly shut out from the political battle of the giants – and from economic policy making. In 2007 there were 2.6 million sole proprietors with 5.6 million workers, and 1.4 million small companies with 11.4 million workers. Small businesses
account for some 15 per cent of GDP and 30 per cent of the labour force: roughly half the proportion in other developed economies (Federal State Statistics Service 2009). President Vladimir Putin oversaw the introduction of new laws on inspection, licensing and registration in 2001–2, which eased the bureaucratic burden on small firms, according to a survey by the Center for Economic and Financial Research (CEFIR 2004).

The return of the state

For much of the 1990s, the government did not try to exercise any systematic influence over the management of privatised companies in which it continued to hold shares. Putin made a coordinated effort to regain control over these companies by having trusted aides appointed to their boards, in some cases as chief executive. In the wake of the Yukos affair Putin moved to tighten Kremlin control still further. In the summer of 2004 two deputy heads of the presidential staff were appointed to chair the board of directors of the Transneft oil pipeline and Rosneft oil companies, while other presidential staffers joined the boards of Aeroflot and Russian Railways.

In 2006–07, at the initiative of deputy prime minister Sergei Ivanov, the government consolidated 16 Russian aviation and 36 shipbuilding firms into two joint stock companies with a controlling government stake: United Aircraft Manufacturing Corporation (OAK) and the United Shipbuilding Corporation (OSK) (Volkov 2008). Meanwhile, Sergei Chemezov, the head of the arms export monopoly Rosoboronexsport, pushed for the utilisation of a new property form: not for profit state corporations. The year 2007 saw the creation of the Development Bank, Russian Nanotechnology Corporation, Rostekhnologiya (military R&D), Rosatom, Olimpstroy (to prepare for the 2014 Sochi Olympics) and the Housing and Utilities Reform Fund. Government officials were appointed (by the president) to staff their respective boards. Together these companies were given state assets worth $86 billion and were guaranteed budget funds of $36 billion. These new entities would not be profit maximising, like regular joint stock companies. Rather they were tasked with channelling some of the accumulated oil and gas revenues into technological innovation so as to restore Russia’s international competitiveness. At the same time, at least four of the eight companies were expected to increase sales on world markets. However, it is unclear what kind of criteria the government will apply to evaluate the effectiveness of these entities. They are neither fish nor fowl, not profit seeking or subject to any transparent public accountability. (Even the Accounts Chamber does not have the right to audit them, except for Rosatom.)

In addition to these new state corporations, as of 2008 the state owned a controlling interest in 130 joint stock companies, and a partial stake in 1,500 others (“Discreet revolution”, Vedomosti, 4 July 2008). Apart from ownership stakes, 2006–08 also saw an expansion of the public sector in more indirect ways, such as an increase in public procurement contracts, and the introduction of new barriers to foreign investors in designated “strategic” sectors. Pressure was placed on individual high profile investors. Shell found itself forced to sell its share in Sakhalin II to Gazprom, while TNK–BP followed suit with its Kovykta field (Elder 2008). By 2008, 52 per cent of oil production was in the hands of state controlled companies, compared with 10 per cent in 2000. But at the same time other trends were at work that tended to improve corporate governance and to a degree mitigate the rising state influence. They included the increasing pressure of global competition; a rise in corporate borrowing abroad, and an increase in direct foreign investment (Yakovlev 2010). Take, for example, the case of Igor Sechin, deputy presidential chief of staff, chair of the Rosneft board, and one of the leading advocates for the expansion of state influence. Even Sechin was reportedly impressed by the new possibilities he saw when Rosneft underwent its first initial
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public offering on the London Stock Exchange in 2006 (Clover 2010). Rosneft sold 15 per cent of its shares for $10 billion). As the economy recovered, and reflecting the poorly developed state of the banking system, the state increased its role as a source of investment. From 2003 to 2007 the state share of investment grew from 24 to 43 per cent. At the same time, the state was willing to open the door to foreign investment, which grew from $13 billion or 1.6 per cent of GDP in 2005 to $73 billion or 4.5 per cent in 2008 (Åslund et al 2010, 216).

Anders Åslund and others continue to argue that the Russian state essentially fulfils a predatory role, sucking rents from the natural resource sectors of the economy. In contrast, based on her study of the electricity industry, Suzanne Wengle argues that the state does have a development strategy under Putin, and that he sought to enlist business in that agenda by making sure their interests aligned with those of the state (Wengle 2010; Berger and Proskurina 2008; “Snova monopoliya” Vedomosti 28 May 2010). That agenda consisted of expanding Russia’s presence on global markets, while at the same time preserving jobs and social stability in Russia’s far-flung regions through manipulation of the electricity price tariffs. In Siberia regional governments cooperated with industrial corporations (notably Rusal and SUEK) to keep ownership among regional actors and lower the price of electricity for local industrial customers. The state sponsored the giant Boguchansk dam project to add capacity in Siberia. In the Far East for strategic reasons power plants (mainly coal) were not privatised, but merged into the holding company UES Vostoka, with electricity prices subsidised. In contrast, in European Russia electricity rates would be allowed to float to market levels, enabling foreign investors to bid for generators, and profit from investing in new technology. Five of the 20 regional companies ended up in the hands of a foreign owner. For example, Germany’s E.On bought OGK 4 for $5.9 billion and Enel purchased OGK 5 for $2.2 billion in 2008. However, despite a decade of efforts to liberalise gas prices, in 2009 domestic industrial consumers were still paying just 25 per cent of the price paid by European importers, and Russian households 15 per cent (Gurvich et al. 2010).

The problem of corruption

Medvedev, a former corporate lawyer who had literally written the textbook on civil law, seemed serious about tackling Russia’s endemic problem of corruption. In part the new legislation he proposed was required under a United Nations convention against corruption that Russia had signed and ratified in 2006. One of the measures was a bill requiring civil servants to declare their income and assets (Pavlikova and Novikova 2008). In an August 2008 speech to small businessmen Medvedev appealed to officials “not to turn business into a nightmare” (Barakhova 2008). The timing was interesting, because the previous month Putin had scolded Igor Zyuzin, chief executive of the Mechel coal and steel group, for missing a meeting with him, citing illness. Putin threatened to find him a doctor.

Businessmen are those most directly affected by corruption. In 2008 Interior Minister Rashid Nurgaliev estimated that 70 per cent of entrepreneurs were giving corrupt officials 50 per cent of their undeclared incomes (Mereu 2008). The ordinary public is aware of the problem, but may not have that many routine encounters with bribe-taking officials. In a 2006 poll 43 per cent said that corruption did not affect their family directly (Panfilova 2006). Another 2008 survey found that only 23 per cent of respondents say they have given bribes to state employees in the fields of health care, education, or military service within the previous two years (Shavlukova 2008). Still, a 2008 Gallup poll found 74 per cent of Russians thought that corruption was widespread in the government; 37 per cent thought it was worse than five years previously; 66 per cent thought it worse than in Soviet times (English and Esipova 2009). Apart from bribery of public
officials, another form of corruption is the increasingly common practice of private businesses hiring former government officials – or the relatives of current officials (Zheglova 2010).

A UBS/Campden Research Survey of 25 businessmen with turnover above $100 million a year found that only one third hoped their children would continue the business (Kuvshinova 2010). Fearful of falling foul of the authorities or cutthroat competitors, it was standard practice for them to keep a low profile to avoid political or criminal attention, and to salt away their earnings abroad. Half of the respondents were looking to cash out in two to four years. Foreign investors face particular dilemmas in paying bribes which may violate their corporate culture and legal obligations back home. Ikea’s management were frank in detailing the challenges they faced, with the opening of their 14 stores across Russia repeatedly delayed due to reluctance to pay kickbacks. As one of their managers noted, “No one gives cash bribes. Everything is documented as social support, or part of the work is given to contractors indicated by local officials” (Sagdiev 2010). Hence, as part of opening their Moscow store they donated $1 million for children’s sports in Khimki.

Both state and society held conflicted positions with regard to corruption. Russians complained about officials on the take – but in the meantime they carried on paying bribes. Not all businessmen welcomed Medvedev’s campaign – some feared that it would increase risk and cause bureaucrats to drive up their rates. The Kremlin in turn was aware that a serious anti-corruption campaign could undermine elite unity and lead to factional bloodletting. Putin and Medvedev talked tough on corruption, but rarely followed through with the arrest of senior wrongdoers. There were some 3,700 corruption-related criminal cases opened in Russia during 2008 – not that impressive a number, given there are more than one million businesses in the country. Also, the most senior officials arraigned were two first deputy governors in Orel (RIA Novosti, 24 February 2009). One year into the campaign, Justice Minister Aleksandr Konовалов admitted “there was still no ‘fundamental shift’ against corruption in the country” (Oliphant 2009).

The court and prosecution system could not be relied upon to tackle corruption. On the contrary, they were part of the problem. According to a May 2008 poll, 52 per cent of respondents thought that judges were influenced by bribes or pressure from above in most cases (Ledeneva 2008). In May 2008 Yelena Valyavina, first deputy chairwoman of the Supreme Arbitration Court, publicly accused a Kremlin official of threatening to dismiss her unless she changed her position on a case involving the Federal Property Fund’s shares in Togliattiazot, the nation’s largest ammonia producer (Krainera 2008).

Dealing with the global economic crisis

Within months of becoming president, Medvedev found himself facing the biggest global economic crisis in 75 years. Would the ambiguous tandem leadership be able to make the tough decisions needed to cope with the crisis? Would Putin’s relatively liberal, open economy approach survive the challenge of a deep recession?

At first, in the summer of 2008 the Kremlin was in denial, arguing that the government’s hard currency reserves would insulate the Russian financial system from the wave of US bank failures. That confidence proved short-lived. The Russian economy was hit hard by a double whammy of falling oil prices and excessive borrowing by the oligarchs, greedy to expand their acquisitions overseas. The oil price plunged from a peak of $147 in July 2008 to $40 by year’s end. That in turn caused the ruble to fall 40 per cent against the dollar, while the stock market plunged 72 per cent in 2008 – the largest drop of any country. In the first half of 2009 GDP and real wages were falling at an annual rate of 9 per cent – and industrial production by an astonishing 17 per cent. The budget came under tremendous strain, with official projections for 2009 showing revenues falling 40 per
cent and a deficit rising to 8 per cent of GDP. (The 2009 budget had assumed an oil price of $95.)

The government spent down $200 billion of its $600 billion reserves in three months in an effort to prevent – or delay – the depreciation of the ruble. Critics argued that this was a waste of money, but defenders of the policy noted that it made it easier for Russian businesses to repay their foreign loans. The government did manage to prevent any major bank failures, and by May 2009 the ruble had stabilised at about 30 per cent below its pre-crisis level.

As corporate woes led to layoffs and wage arrears, the government stepped in to head off social unrest. The most celebrated incident came in the wake of workers protesting against the shut down of the district power station in the small north-western town of Pikalevo in June 2009. At a televised meeting Putin berated Oleg Deripaska, who owned the alumina waste plant involved in the stoppage, saying: “You have made thousands of people hostages to your bloated ambitions, inefficiency and, possibly, greed. It cannot be tolerated” (transcript of meeting at http://premier.gov.ru, 4 June 2009). Deripaska was obliged to sign a document pledging financial assistance for the town’s ailing plants. President Medvedev had his own meeting with Deripaska in October 2009, in which he complained about businessmen paying bribes, but also conceded, “I believe that we at some point have let the creation of state corporations out of control” (Smolchenko 2009).

The 2008 crisis cut deeply into the fortunes of the leading oligarchs. Deripaska, whose holdings include Rusal and the GAZ auto plant, saw his estimated wealth shrink from $28 billion to $7.2 billion (on top of which his companies had $14 billion debts) (Arabov 2008). Roman Abramovich, former owner of Sibneft oil company and subsequently steelmaker Evraz, saw his wealth go from $23 billion to $3.3 billion (with $2.2 billion debts).

The focus on crisis containment meant that ambitious plans for Russia’s long term development were put on hold. In March 2009 Putin disbanded the cabinet department responsible for the four national projects launched in 2006 (in farming, health care, education, and housing), on which the government had spent $10 billion in 2008 (Medetsky 2009). Medvedev himself admitted that the crisis posed a serious challenge for the Russian elite, who had grown up in eight years of rising economic prosperity. It also exposed the fact that the Russian economy had failed to diversify and was still heavily dependent on commodity exports (Medvedev 2009). In effect, the Kremlin’s strategy amounted to holding on until the crisis receded, and commodity export prices started to recover (Mikhailov 2009). One can identify two broad strands in the policy advice offered in response to the crisis. A dwindling band of liberals favoured maintaining the open economy, export-driven course laid down during the Putin years. They faced off against a chorus of neo-traditionalists who wanted to see protectionist barriers, price controls, and the nationalisation of bankrupt plants. The acerbic Andrei Piontkowsky (2008) described this as a struggle between nationalist kleptocrats and globalist kleptocrats.

The crisis was exposing deep rifts within the ruling elite as they struggled for a share of the shrinking pie and tried to blame each other for the nation’s plight (Milov 2009). All of the major elite groups were weakened by the economic crisis: the siloviki, the liberals, the oligarchs, the political parties, and the Kremlin. The siloviki saw the state budget frozen, while the oligarchs saw their stock and real estate fortunes shrink. The liberals found their faith in the market shown to be naïve. The political class as a whole found themselves swamped by forces beyond their control, and beyond their understanding. Each of these groups saw a decline in their political or economic resources in absolute terms, but it was hard to predict how the crisis would affect their relative power. The various factions of the elite were all too aware of their collective vulnerability, which meant that they had a strong incentive to keep their feuding within limits – and under wraps.

The policy coordination between Medvedev and Putin left something to be desired. At the G20 summit in Washington in November 2008, Medvedev and the other participants agreed not
to erect protectionist trade barriers against each other. Then, just a few days later, Putin announced
the introduction of higher customs duties on the import of used cars in order to protect the
domestic automobile industry. On 10 June 2009 Putin announced that Russia would be with
drawing its individual bid to join the World Trade Organization, and would instead be pursuing a
joint bid as part of a customs union with Kazakhstan and Belarus. WTO officials were taken aback,
explaining that there is no provision for collective membership applications. Russia had been
negotiating entry for 16 years, and had agreed 95 per cent of the provisions, though talks had been
suspended after the August 2008 Georgian war. Just one month later, Medvedev seemed to
reverse Putin’s announcement, telling reporters at the G8 summit, “One can, having agreed some
general standards within the customs union troika, join separately – which in my view is simpler
and more realistic” (Vesti TV, 10 July 2009). This switch was not a sign of rivalry in the tandem
leadership, but of incompetence and lack of coordination in the policy making process
(“A correction for Putin”, Gazeta.ru, 13 July 2009).

Conclusion

There are many varieties of capitalism around the world. Russia has developed into its own unique
form, under the influence of its strong state tradition and natural resource endowment. At the
same time Russia has become a very open economy highly dependent on foreign trade and
investment. Putin established quite clear rules of the game, which, courtesy of the Yukos affair,
domestic businesses have learned to obey. It is trickier for foreign investors to find their niche in
this system: they lack the network of personal ties of their Russian counterparts, and the behaviour
expected of them inside Russia (such as bribery) may clash with their own corporate culture and
legal obligations in their home country. But, for all its contradictions and inefficiencies, Russia’s
business model – a strange fusion of powerful individual magnates with a strong central state –
produced a decade of economic growth and political stability. The model was dented, but not
topped, by the economic crisis of 2008.

Notes

1 Russia is the world’s largest producer of nickel, second largest of aluminum, third largest of cobalt, fourth
largest of steel and diamonds, fifth largest of coal, and sixth largest of copper and gold.
2 The word “oligarch” was first used by Aleksandr Privalov of Ekspert magazine, who started a regular poll of
elites, publishing rankings of who were seen as the most influential political and business figures
(Romanova 2002).

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Peter Rutland


Part IV

Society
One of the central ironies in post-Soviet Russia, erected on the rubble of the Soviet attempt to build the first classless society in the modern world, is how central class structure, class inequality and class analysis remain to understanding Russian politics and society. This chapter will discuss different meanings of class, the class structure of the Soviet system and its contribution to the end of that system, the rise of a capitalist class or “New Russians”, the increase in inequality, the fate of Russia’s middle and working classes, the extent of poverty, and finally what a class analytical approach can contribute to our understanding of Russian politics and society.

**What is class?**

What exactly do we mean by class? Arguably more than most social science concepts, class has conflicting definitions, the choice of which significantly shapes subsequent understanding and analysis. The classic Marxist definition emphasises ownership of the means of production, or the assets needed to make valuable things: thus under capitalism the capitalist owns the factory, while the worker owns only his or her labour power to sell to the capitalist. In the Weberian perspective, different “market capacities”, such as the possession of a particular good or opportunities to generate income, lead to differing “life chances”. Those who possess the same kinds and quantities of resources leading to similar market opportunities and life chances are said to be in the same class (Wright 1997). A third perspective, often found in popular discourse and media accounts, as well as some empirical sociological studies, is what we might call a gradational or social stratification approach: one that divides society into income deciles or a number of classes based on income or wealth (and sometimes occupation): upper class, upper middle class, middle class, and so on (Wright 1997, 30–2).

**Class in the Soviet Union**

According to the official Soviet ideology, the Soviet Union consisted of two classes – workers and peasants – and a “stratum” of the intelligentsia, but these classes were said to be non antagonistic and hence without class conflict, though this was widely seen as an ideological fiction. The Russian Revolution of 1917 did, however, fundamentally change the class structure of Russian society: peasants gained land as large landholders were expropriated, along with the wealthiest capitalists, as almost all large industry and finance was nationalised. The class structure was radically altered again under Stalin in the 1930s, as peasants were now themselves effectively expropriated...
under collectivisation, and large numbers of peasants and women entered the paid labour force as industrial workers. Amidst widespread repression, an unprecedented amount of social mobility took place, as peasants became workers in the new cities being built, and significant numbers of workers were educated to fill the bureaucratic edifice that was created to oversee the centrally administered system (Fitzpatrick 1979).

Following Stalinist industrialisation, and especially from the mid 1960s onward, social mobility in Soviet society slowed. However, the Soviet state enacted specific policies to benefit the working class: for a time, affirmative action policies for university admissions (Gerber and Hout 1995) and wages for skilled blue collar workers often matched and sometimes exceeded those for educated professionals.

A question often asked during the Soviet period was whether there was a “ruling class” in the Soviet Union (Nove 1975; Djilas 1957). The question was ideologically charged, and hinged on the Marxist concern of whether the control of the means of production by the new ruling elite was akin to ownership. Yet this question has important analytical as well as ideological consequences. This ruling group became known as the nomenklatura, which referred to their ability to appoint people from above into powerful positions throughout society (Voslensky 1984). The nomenklatura was enormously powerful: it controlled, without real opposition, the political as well as the economic levers of power. The privileges this group enjoyed were much greater than suggested by the ruling ideology, which aimed at eliminating class privileges (Matthews 1978). However, relative to their considerable power, the privileges enjoyed by this group were limited in at least two ways. For one, given the ideological prohibitions on privilege, those that were enjoyed were typically hidden from view. More significantly, both the power and the privilege that one held stemmed from one’s position in the nomenklatura hierarchy. This meant that if a person lost his (more rarely her) position in the nomenklatura, they lost both power and privilege. In Giddens’ (1979) terms, the nomenklatura’s power and privilege were delegated rather than autonomous resources, meaning that the control over an enormous amount of resources was rarely transferred into personal property that one could, for example, bequeath to one’s offspring. Those well positioned in Soviet society often used their positions to transfer their class status to their children, for instance by ensuring admission to a prestigious university, but the ability to do so was dependent on one’s present position. As long as the system appeared stable, that is before Gorbachev’s perestroika, the Soviet nomenklatura appeared to have a considerable interest in supporting the status quo.

The concept of class can lead one to view the post Soviet transformations not as “transition” but rather as a revolution, a perspective that has increasingly been adopted by scholars from various perspectives (Åslund 2007; Hahn 2002; McFaul 2001) (for a dissenting view, see Burawoy 2001; Silverman and Yanowitch 2000). Skocpol (1979) defined a social revolution as “rapid, basic transformations of a society’s state and class structures, carried out in part by class based revolts from below”. In contrast to Russia in 1917, class based revolts from below were limited in this case (Crowley 1997), as was the dramatic loss of power by the former ruling classes, who following the first Russian Revolution were expropriated, fled the country, and led a counter revolution (Burawoy 1995). Instead, there is much evidence that a significant portion of the nomenklatura, rather than simply acting as a brake on perestroika as was anticipated at the time, began to take advantage of economic opportunities, beginning early on with market and capital accumulation activities of official organisations, particularly the Komsomol, and somewhat later with enterprise directors engaging in what became known as spontaneous privatisation (Barnes 2006, 54; Gill 2008, 71; Johnson and Kroll 1991). Moreover, for those members of the nomenklatura who successfully made the transition to the new capitalist system, the basis of their class power was fundamentally transformed, from delegated to autonomous power resources, that is, private
property rights no longer tied to their position, and inheritable by their offspring, with the end of restrictions – legal as well as ideological – on their resulting privilege and wealth.

Hence, some argue, the class interests of the nomenklatura were strongly tilted in favour of capitalist transformation, and the collapse of Soviet communism is better characterised as a “revolution from above” (Hahn 2002; Kotz and Weir 2007). But were the nomenklatura turned capitalists the driving force behind the end of the Soviet Union, and, if so, was it a conscious strategy, or rather opportunistic behaviour that evolved over time under rapidly changing conditions? Some suggested the metaphor of a “bank run”, which has the advantage of accounting for sudden shifts in direction and allegiances as events reached a particular tipping point (Barnes 2006, 65–7; Solnick 1998).

Nevertheless, a number of studies found a significant portion of the new capitalist class to have been members of the nomenklatura in the Soviet regime. While the precise numbers of the nomenklatura in the new elite varied between studies, they were nonetheless substantial (Gill 2008, 66–77). In one widely cited study, Kryshtanovskaya (1995) found that 61 per cent of the new “business elite” (defined as heads of the largest banks, exchanges, and financial industrial groups) had nomenklatura backgrounds. However, only 5 per cent of this elite came from the top level nomenklatura, with the rest from the second and third ranks, suggesting perhaps opportunistic behaviour of the relatively young and ambitious (Kryshtanovskaya 1995; Silverman and Yanowitch 2000, 123). A subsequent study found 29 per cent of the new business elite had nomenklatura backgrounds by 2001, a much lower but still significant number (Kryshtanovskaya and White 2005).

Development of a new class structure

Whatever the precise role of nomenklatura interests in bringing about the end of Soviet communism, the struggle for property was just getting under way at the end of 1991. The first post communist Russian government headed by President Yeltsin faced the task that some called “making capitalism without capitalists” (Eyal et al. 1998). Russia’s rapid privatisation of state assets was facilitated by the Soviet state’s concentration of virtually all economic resources under its roof, though this gave Russia’s political elite enormous power in determining who the new capitalists would be. The initial approach became known as “voucher privatisation”, and while ostensibly spreading ownership to the enterprise “labour collectives” and to the general population, the process led primarily to control being gained by enterprise managers, who became known as the “Red Directors” (Gill 2008, 82–85).

What sort of new capitalist class emerged from the privatisation process in Russia? Here we have in mind not simply the so-called “oligarchs” (see Chapter 24 by Peter Rutland) but also those below them, such as second tier industrialists and regional barons, as well as the “red directors” (Barnes 2006).

Even with this new class broadly defined, the accumulation of wealth and productive assets in a relatively few hands created stark inequalities during a period of deep economic contraction, leading some to ask whether the process reflected a necessary stage of the “primitive accumulation of capital” in Marx’s terms or the “robber baron” period of US capitalism, or rather something more problematic. One essential difference was that capitalism in Russia was not brought about, as elsewhere, by an emerging class engaging in new modes of production, but by the rapid transfer of existing property into private hands (Gill 2008). In part because of the uncertainties of the post communist environment, many of these new owners engaged less in investing in their new concerns than in asset stripping and capital flight as means of capital accumulation, or, in other words, in “destructive entrepreneurship” (Barnes 2006, 53). One study found that the new
owners (or reform “winners”) developed what we might term a class interest in maintaining “partial reform” which would allow continued rent seeking (Hellman 1998).

Others saw Russia’s new capitalists as resembling a “comparator bourgeoisie”, or merchant rather than industrial capitalists, whose interests were served by selling assets and raw materials on the world market rather than investing in domestic production (Lieven 1998, 4; Burawoy and Krotov 1993). After the 1998 collapse of the ruble, new incentives pushed some entrepreneurs to invest in domestic production. However, particularly as commodities prices rose and the nexus of state and business tightened under President (and later Prime Minister) Putin, investment largely shifted back to extractive industries and raw material exports.

Smaller scale capitalists, especially those engaged in new economic activity, have been relatively limited in Russia. While some Russians bemoaned the lack of an entrepreneurial culture (Shankina 2003), this argument was undercut by the explosion of kiosks, shuttle trading and small scale market activity that appeared with the collapse of communism. Yet one study found that while by 1993 there were close to one million small businesses in Russia, by 2005 the number was largely unchanged, and there were fewer small businesses in all of Russia than in the city of Warsaw (Levin 2007, 47). Another study found that in 1999 new private enterprises, as opposed to privatised enterprises, employed only 15–20 per cent of Russia’s workforce (Clarke 1999, 28–32; Silverman and Yanowitch 2000, 143). As one recent review concludes, “entrepreneurs in Russia face a hostile business environment characterized by the weak rule of law and widespread corruption”, with the most successful small and medium entrepreneurs facing “a serious risk of expropriation or forced takeover by those better connected to the intertwined economic and political structures of power” (Aidis et al. 2008, 15–16; see also Levin 2007, 53).

What of the politics of Russia’s new capitalist class? Political sociologists have long argued that a growing class of property owners will have a strong interest in defending their property and demanding liberal protections from state authority; as Barrington Moore famously stated, “no bourgeois, no democracy” (Moore 1966). Yet the Russian case reminds us that the bourgeoisie is no guarantor of democracy. As we have seen with respect to their approach to economic reform, Russia’s new capitalists saw the state less as a force to be free and “more as a resource to be plundered” (Gill 2008, 285).

One important difference with most previous cases is that elsewhere capitalism (and the new bourgeoisie) emerged before democracy; in the Russian case, as part of the post communist transformations, the ostensible goal was to create capitalism and democracy simultaneously. Yet the contradictions in this project soon became evident. One major dilemma was that the rapid attempt to create capitalism, known in Russia as “shock therapy”, soon outpaced its support among the public. This air of illegitimacy extended to the new property owning class, which was not helped by the fact that, besides state origins, a significant portion of new capitalists came from the shadow economy, including those who had engaged in what was considered criminal activity (such as “speculation”) in the Soviet era, and rise of this new class coincided with, and sometimes overlapped with, the new Russian mafiya (Volkov 2002).

**Inequality**

The legitimacy of this new class, sometimes referred to as the “new Russians”, was further hampered by the fact that not only did they often enjoy levels of wealth beyond the dreams of the old Soviet nomenklatura, but, also in stark contrast to the past, they enjoyed flaunting it rather than hiding it from public view (Humphrey 2002, Chapter 9). The examples of new Russians ostentatiously displaying their wealth are legion; one recent instance was the launch of an online magazine entitled “Snob” (snob.ru). To be sure, many Russians, including those not newly
prosperous, aspired to the new consumer culture of Russia’s capitalist society. Yet, on the other hand, the process of class formation and capital accumulation was perceived as largely illegitimate by the general population, in a way that hampered rather than facilitated democracy.

The question of the wealth of the new Russian capitalist class leads to the further question about the level of inequality in Russian society. Not only did the post Soviet period witness an unprecedented transfer of property from state to private hands, with the accumulation of property and wealth in the hands of a few, but this took place during a period of dramatic economic decline, where economic performance in Russia through much of the 1990s was worse than the US experience of the Great Depression of the 1930s (Milanovic 1998). One standard measure of inequality is the Gini index. According to World Bank data, Russia’s Gini index was 24 in 1989, but within four years (1993) it had doubled to 48. The figures have fluctuated, declining to 36 in 2002, but the figure for 2007 put the Gini index at 44 (World Bank n.d.). Other sources place Russia’s Gini index somewhat lower, but still far above the average in Europe, and among the highest of the former Soviet republics (Mitra and Yemtsov 2006; on the difficulties with different inequality measures, see World Bank 2006, 39, 43). In one comparison, Russia’s level of inequality is higher than Turkey, but about the same as Kenya and China, and below the level in the United States and some Latin American countries like Brazil (Central Intelligence Agency n.d.). Yet starting from a position of relative equality, Russia’s increase in its Gini index of 11 percentage points over a decade “is close to a record” (World Bank 2006, 38).

One factor in Russia’s inequality is the huge regional disparity, where poverty levels in 1998 were 18 per cent in the city of Moscow but 75 per cent in the Republic of Tyva, and this disparity appears to have increased during the recent decade of economic recovery (Cook 2007, 83, 151). But regional factors can only partly account for the steep increase in inequality. In the past, many economists accepted “Okun’s law”, which stated a trade off between equality and efficiency (although the experience of Scandanavia and a number of Asian countries called this into question) (Okun 1975; Silverman and Yanowitch 2000, 10). Yet the Russian case contradicted Okun in a new way, with both negative growth and increasing inequality, so that some people were getting larger slices of a shrinking pie (Stiglitz 2003). Despite the recent global economic crisis, Forbes’ 2010 survey of the world’s wealthiest found that Russia has 62 billionaires, one of the largest concentrations anywhere in the world (Forbes 2010).

The middle class

What then of Russia’s middle class? How have they fared in the new Russia? One of the challenges in assessing the fate of the middle class is making sense of a concept that is widely used in everyday discourse yet often only vaguely defined. The traditional definition of middle class was the new bourgeoisie that arose with capitalist development, seemingly between large landholders and peasants or rural workers. Most recent usage of the term in Russia and elsewhere has focused on a gradational conception of class, with the middle class said to inhabit some intermediate ground in terms of income between the wealthy and poor or working classes, along with higher levels of education and appropriate self identification. Thus, rather than a class in the Marxist or Weberian sense, Russian definitions of the middle class tend toward a “conglomerate of various professional groups, lifestyles, value orientations, and political preferences” (Believa 2007, 3). Despite the imprecise and often shifting definition, a number of Russian studies place the middle class at about 20 per cent of Russia’s population (Believa 2007; Gorshkov et al. 1999; Segeyev 2007; Maleva 2003).

Some Russian commentators argued that Russian social scientists had “an ideological mythology” of the middle class as the dominant class of the future that would be the carrier of the new values
of democracy and a market society (Believa 2007, 3; Maleva 2003, 16–17). In line with the traditional definition of the middle class, there was the hope that small entrepreneurs and property owners would form the basis of this new class, and provide the social foundation of the new regime. This would appear to be what Yeltsin had in mind when he proclaimed that the mass privatisation process would lead to “millions of owners, not hundreds of millionaires” (Hoffman 2002, 189), though, as we have seen, the latter outcome was indeed the case. A 2006 study found that of the roughly 20 per cent of the Russians in the middle class, only 4 per cent had opened their own business, a number that had declined from 20 per cent in 2003 (Segeyev 2007); another study found small business owners to be between 9 and 18 per cent of the middle strata, but no more than 2–3 per cent of the population as a whole (Levin 2007). At the same time, just 35 per cent of the middle class was composed of employees of private enterprises, while 54 per cent were government employees, reflecting the continued dependence of even this group on the Russian state (Segeyev 2007).

Accounts of the political impact of the middle class appear contradictory. A survey from 1998 found no clear political orientation for the middle class, though on the eve of Putin’s presidency, it did find yearnings for stability (Gorshkov et al. 1999). According to an exploration of Putin’s electoral support in 2004, Putin’s backers come from “a new middle class” (cited in Sakwa 2008, 80–1). Yet a subsequent study found that in recent years the middle class has increasingly distanced itself from politics altogether (Segeyev 2007).

One of the hopes of the Soviet era “intelligentsia” (or, in Western terms, educated professionals, especially from the cultural and technical spheres) was that, with the end of communism, freedom would mean not only the end of restrictions on political expression and association, but also the end of income levelling and limits on market opportunities, allowing for greater returns on education or human capital. The hopes of this aspiring middle class were largely dashed. Within a few years of the “transition”, there was considerable talk of the “impoverishment” of the middle class (Silverman and Yanowitch 2000, 29, 32). This was certainly the case for groups dependent on the state budget, such as teachers (Patico 2008). One study that compiled a database of six different surveys found that the number of Russians whose occupations would classify them as “professionals” fell by 7–8 per cent from 1990 to 1998, while the limited employment growth that did occur in this period took place in unskilled jobs and self-employment (Gerber and Hout 2004, 688). This study also found that in terms of overall social mobility – comparing class origins with class destinations – from 1990 to 1998 “downward mobility exceeded upward mobility by 30 percent”, and that a downward shift, let alone of that magnitude, is highly unusual among mature economies (Gerber and Hout 2004, 695).

The working class

If the post communist transformation in Russia had a negative impact on the middle class and professionals, it certainly did the same to the working class. Labour is discussed separately (in Chapter 26 by Linda Cook) in this volume, so here I will limit the discussion to class analytical and relational components of the working class. Industrial workers were a favoured class under Soviet ideology, a favouritism that was not merely symbolic. For instance, the Soviet system employed what was in effect affirmative action for those from worker and peasant backgrounds; the end of those programmes, combined with the many other impacts of the post-communist era, has meant that, in terms of eventual class destination, the advantages for those with higher class origins increased by 26 per cent from 1990 to 1998 (Gerber and Hout 2004, 694).

However, the most dramatic change for the working class has been in the demand for labour. Under the Soviet economy, which generated shortages not only of goods and services but also of
labour, workers could use the excess demand for labour by moving from enterprise to enterprise, bidding up their wages and benefits (Crowley 1997; Kornai 1980). Indeed, the wage premium that skilled workers enjoyed likely stemmed from their key position in the labour process rather than any ideological advantage. The conversion from labour shortage to labour surplus has certainly been the greatest single shock workers have faced, and represents a significant loss of social power.

This loss was reflected less in unemployment than in declining wages: unlike the experience of the Great Depression in major countries such as the United States where wages remained stable and unemployment soared, unemployment in Russia (and other post Soviet countries) rose slowly, while wages dropped dramatically (Milanovic 1998, 29). With average real wages in 1985 taken as a baseline, wages rose during the perestroika years, but by 1995 had dropped to 55 per cent of the 1985 average (Milanovic 1998, 57; Silverman and Yanowitch 2000, 84). After a few years of wage increases, with the financial crisis of August 1998 real wages plunged to less than half of their level in 1991, the last year of the Soviet Union (RF Human Rights Commissioner 2000). At the same time, inequality in wages increased, reflecting lower returns to skill and education than the market power of certain sectors (Silverman and Yanowitch 2000, 86; World Bank 2006). Workers in the extractive sector such as the oil and coal industries were paid relatively well, while workers in the state sector fared much worse: in 1999, the worst year for many such workers, 67 per cent of workers in health care and 71 per cent in education were paid below the government defined subsistence minimum, though by 2002 those numbers had dropped to 39 per cent of health sector workers and 41 per cent of workers in education (Cook 2007, 137, 187).

Even with such low wages, Russian workers were hit by a crisis of wage arrears. By late 1998 approximately two thirds of Russian workers reported overdue wages, with those affected reporting close to five months pay in arrears on average (Earle and Peter 2000). Workers were often paid in kind, typically in the products their factories made but could not sell, and many engaged in barter and subsidiary food production in order to survive (Burawoy and Krotov 1993; Clarke 1999).

Under Putin and with the rise of world oil prices, the wage arrears crisis ended and wages have increased substantially since 2000, providing one potentially important source of Putin’s popularity. Yet according to official statistics, it was not until 2007 that average wages in Russia exceeded those of 1991 (Rossiiskaya Federatsiya n.d.). Moreover, in addition to the roughly 20 per cent of the population characterised as middle class, Russian social scientists find that just under 70 remain “lower middle or working class” (Buckley 2006). Further still, while Russian workers avoided the mass unemployment that would have reflected the actual decline in production levels during the 1990s and thus retained their status as “working class”, a significant number of Russia’s industrial workers remain attached to monogoroda, or company towns from the Soviet period reliant on a single industry often teetering on bankruptcy. Thus while the numbers of the working class remain large, a significant portion appears to reflect surplus labour, and have the potential to slip into what some have called the “underclass”.

**Poverty**

Indeed, a discussion of class in Russia cannot avoid the topic of poverty. The increase in poverty rates with the end of communism in Russia was great: Milanovic (1998) estimates that the number of poor in Russia increased from 2.2 million in 1987–88 to 66 million by 1993–95. Using household budget surveys to measure family expenditures, he estimates that 39 per cent of the population was below the poverty line in 1993–95 (Milanovic 1998, 75–77). Official estimates of poverty were somewhat lower, with one quarter to one third of the population deemed below
the poverty line through much of the 1990s (Cook 2007, 138; Silverman and Yanowitch 2000, 47). However, following the financial crisis of 1998, consumption “dropped precipitously across all income groups”, especially for the poor. By 1999, 41.5 per cent, or “four out of every 10 people slipped into poverty, unable to meet nutritional and other basic needs” (World Bank 2006, xxii). The subsequent economic recovery has been impressive, and by 2002 the percentage of those below the poverty line dropped to 19.6. Yet this number still reflected one out of five Russians, and was roughly the same estimate as for those in the middle class.

A survey of a number of Russian studies on poverty found their quality to be poor by the standards of Western social science (Lokshin 2009). Keeping that caveat in mind, one Russian study based on a 2005 survey found that 40 per cent of the population was “poor” and another 15 per cent “near poor” given their stated inability to meet certain basic needs (Bondarenko 2006). The difficulty in locating the poverty line, and the classification of “near poor”, is perhaps a reflection of the “shallow” nature of poverty in Russia – the poor and near poor are clustered near the poverty line rather than falling well below it. This is positive in the sense that it would not take much additional income to lift most Russians out of poverty, but also negative because a sudden decline in income would push many more below the poverty line (World Bank 2006).

Who are Russia’s poor? Given that the adjustment to the post-communist drop in production came as a decline in wages rather than in employment, it is not surprising that a very large portion of the poor are members of the “working poor”: as much as 88 per cent of the poor live in a family where at least one member works, and 65 per cent live in a family where two or more are working (World Bank 2006, 35). Reflecting the downward social mobility discussed above, one study found a large group of “new poor”, consisting of “large sections of skilled specialists and blue collar workers who have secondary vocational or even higher education, are middle aged or elderly, and, prior to the reforms, belonged to the best off strata among the population” (Manning and Tikhonova 2004, 34).

Poverty levels vary greatly across Russia’s region. Poverty is also much more pronounced in the countryside. The income of farmers declined even more than that of workers following the Soviet collapse and, by 2002, the poverty rate of the rural population was 30.4 per cent, about double that of Russia’s urban population, 15.7 per cent (World Bank 2006, xxiv; Gerry et al. 2008; Wegren et al. 2006).

The social consequences of Russia’s poverty have been dire. Russia’s children experienced wasting (or low weight) and stunting (low height), and there has been a significant rise in the number of street children (Cook 2007, 138–9). From 1990 to 1995, the number of working age people who died from alcohol related causes more than tripled, while the number of registered disabled rose by 1.4 times, the number of murders more than doubled, and the number of suicides rose by 1.6 times (Standing 1998, 154). While Russia’s health problems and demographic crisis cannot be simply attributed to the rise in poverty, one study found the absence of a strong middle class, which might contribute to a more healthy lifestyle, to be an important explanation for Russia’s increased mortality rates (Cockerham 2007). The World Bank found very large differences in health outcomes, including rates of tuberculosis, infant mortality, and life expectancy between Russia’s poorest and wealthier regions (World Bank 2006, 126–7).

**Conclusion**

I will conclude this discussion of class in Russia with a brief application of class analysis, which asks how much the concept of class can explain about a society’s social and political phenomena. In the Soviet period, while workers were ideologically privileged and enjoyed a certain degree of power through the labour shortage, the system’s nomenklatura were clearly the dominant social group.
With their power and privilege tied up in their positions however, the nomenklatura valued the “stability of cadres” above all else, even at the price of leading the Soviet system into stagnation and decline. With Gorbachev’s perestroika, an attempt to rescue the Soviet system from that decline, certain members of the nomenklatura began to seize the opportunity to transfer the power of their positions into more inalienable private property. Members of the intelligentsia also began to perceive opportunities in a more liberal – democratic and capitalist – system, and allied themselves with Yeltsin to bring that system about. Yeltsin, urged on by representatives of the capitalist class from Western countries, rapidly transferred a large portion of Russia’s assets into private hands, and a new Russian capitalist class was consolidated. This process, however, led to the impoverishment and downward mobility of millions of Russians, especially the working and middle classes. This in turn led to the widespread unpopularity of the Yeltsin regime over time, as well as of the new capitalist system, and this unpopularity was deepened as the wealthiest of Russia’s new capitalists – in a process approaching “state capture” – tilted state actions to meet their interests rather than those of the general population. Certain members of this new capitalist class, especially those closest to Yeltsin, sought to ensure the survival of their holdings by appointing Putin as the new president. Putin, however, brought a number of these top capitalists to heel, and – here we have to step out of the class analytical framework – extended greater control by the state over the economy. Helped by robust economic growth, he also resolved many of the most acute problems facing the popular classes, and in so doing enjoyed very high levels of public support. However, his ability (and that of his nominal successor, Medvedev) to achieve these goals has been both enabled and limited by the global capitalist system in which Russia finds itself. The continued growth on which Russia depends is to a high degree dependent on prices in global commodity markets, especially for oil and gas.

Thus Russia’s post communist class formation, and resulting inequality, did not occur in a vacuum, but in direct connection to the global capitalist economy, which quickly penetrated what had been the largely autarkic Soviet economy. Two decades out, despite important struggles still to be resolved over the liberalness of Russia’s economic and political institutions, Russia’s class structure has largely been formed, and hence Russia’s post communist revolution – that is, the rapid, basic transformation of its state and class structures – has largely come to an end.

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Russian labour

Linda J. Cook

After decades of political control and suppression under Soviet communism, Russian labour burst onto the political scene with the massive and much publicised miners’ strikes of 1989 and 1991. More than 400,000 workers participated in these strikes, which engulfed major coal basins, produced independent miners’ unions, and contributed to the Soviet collapse and the emergence of Boris Yeltsin. Some analysts anticipated the growth of a powerful workers’ movement in Russia, but in retrospect the miners’ strikes represented the height, rather than the beginning, of labour’s mobilisation and influence. The post-communist transition brought expanded organizational and political rights, and trade unions are still the largest civil society organisations in Russia. However, Russia’s workers remained largely quiescent throughout the deep economic downturn of the 1990s, as well as in the years of recovery and rapid growth from 2000 to 2008. Unions made forays into electoral politics but never had much impact, and the main surviving labour federation eventually subordinated itself to Putin’s “party of power”, United Russia. Still, modest new strike and protest movements have emerged since 2006, and contemporary scholars anticipate various futures for Russian labour.

The present chapter maps labour’s social and political activism, and economic and labour market conditions in the Russian Federation, from 1989 to 2010. It focuses first on the “puzzle of quiescence”, the contending explanations for labour’s failure to mobilise that have preoccupied much of the scholarly and analytical literature, and on organised labour’s largely unsuccessful efforts to build political alliances and voice workers’ grievances (see, for example, Ashwin 1999; Connor 1996; Cook 1993, 1997; Crowley 1997; Crowley and Ost 2001; Javeline 2003a, b; Kubicek 1999; 2004; Mandel 2000; Robertson 2007). The chapter next looks at changes in labour forces, markets, and conditions, considering the effects of privatisation, global integration, natural resource dependency, and limited economic diversification. It examines the underside of Russia’s labour market, i.e. informalisation, violations of labour laws and norms, and human trafficking, and considers the effects of demographic decline on labour supply, immigration, and pro-natalist policies. The chapter ends with a discussion of Russian labour’s responses to both prosperity after 2000 and the 2008–10 recession, and considers the divergent views of scholars on the present and likely future: that labour in Russia has been permanently disempowered by the forces of economic globalisation, that it has been marginalised by the constraints of Russia’s electoral–authoritarian regime, or that it retains some potential to mobilise and to affect distributive and political outcomes.
Labour’s significant but short-lived role in the post-communist transition

The summer 1989 coal miners’ strike constituted the first major grass roots challenge to the Soviet regime: the emergence of “perestroika from below”. Miners were responding to a combination of long repressed grievances and Gorbachev’s promises of voice, representation, and reform. The strikes spread rapidly across cities and coal basins in three Soviet republics, seeming to reveal an enormous, unexpected capacity for labour’s self-organisation and mobilisation. The strikers’ many grievances and demands focused on working and living conditions, poor management, and broader systemic issues. Strikers were generally pro-reform, seeking greater economic independence from central authorities. Though the summer 1989 strikes were met with deep concessions, rapidly worsening conditions and growing discontent led to another strike wave in the coal basins in 1991. This time the miners voiced explicitly political demands that helped bring the end of Gorbachev’s presidency and the collapse of the Soviet Union itself. Strikes and strike threats also emerged among oil and gas workers, transport, and some public sector workers during this period (Christensen 1999; Connor 1991; Cook 1995; Crowley 1994, 1997; Filtzer 1994; Friedgut and Sieglebaum 1990; Mandel 1990; Rutland 1990).

The 1989 strikes spawned new grass roots leadership and labour organisations that presented a direct challenge to the monopoly of the Federation of Independent Trade Unions (FNPR), the holdover Communist era union federation. While the Independent Miners’ Union (NPG) remained the most prominent of the new unions, independents also emerged among pilots, air traffic controllers, longshoremen, and others. A white collar labour confederation, Sotsprof, which was allied with the nascent Social Democratic Party, organised across several professions and became the most visible besides the miners. These new independents, many of which were anti-communist, militant, and strike prone, allied with the reform movement and demanded that workers’ interests be taken into account. Workers’ activism in Russia, Poland and elsewhere during this period led analysts, most notably Adam Przeworski, to predict that labour would be a key player in the success or failure of the post-communist transition, that “trade unions … would have to be beaten or tamed as politicians juggled the demands of simultaneous political and economic reform” (Kubicek 1999, 83; Przeworski 1991).

But events would prove otherwise. Despite sharply worsening economic and labour market conditions in Russia, strikes did not spread to most other sectors. Education workers, and to a lesser extent those in health care, did strike en masse in the 1990s over deep cuts in public sector budgets, though these strikes were mainly defensive, demanding payment of wage arrears, and activism soon dropped off even in these sectors. While most workers continued as nominal members of the successor FNPR or quit unions altogether, independents remained few and fragmented. Clarke et al. (1993 and especially 1995) provide thorough descriptions of the most important new unions, the NPG, Sotsprof, and the Air Traffic Controllers’ Union, including their significant role in the Soviet collapse, their experiences of struggle and solidarity, persecution and leadership failures, and their shared marginalisation by the mid 1990s (see also Gordon 1995). Though grievances deepened, collective labour did not act effectively to defend its interests, and it found only ephemeral political allies. By 1995 Russia’s governing elite was no longer worried about a “social explosion”, while analysts focused on explaining the weakness and passivity of post-communist labour.

The puzzle of quiescence

From the beginning of 1992, the Russian government pursued a strategy of “shock therapy” reform that included liberalisation of previously controlled prices, sharp cuts in public spending,
and privatisation of most productive resources to managers and a new class of wealthy “oligarchs”. During the decade, Russia’s workers experienced severe real wage declines, growing open and “hidden” unemployment, mass dismissals and forced furloughs, growth of the working poor, and an overall catastrophic decline in living standards (Silverman and Yanowitch 1997). A significant portion of coal mines, too old and obsolete to become profitable in the new market economy, were closed with the assistance of the World Bank, while the NPG was reduced to negotiating compensation for dismissed miners’ resettlement. Wage arrears – non payment or late payment of wages – became widespread, affecting especially women in the public sector and low wage workers in poor regions and sectors of industry (Desai and Idson 2000). At the economy’s lowest point, the 1998 financial crisis, wage arrears peaked. Trade and capital liberalisation opened Russia to the international economy, leading to large scale capital flight and cheap imports that further depressed domestic production. Corruption, intra elite conflict, state incapability, and the demonetisation and primitivisation of the economy marked the decade.

Throughout this period workers remained largely quiescent. From 1992 to 1999 only 1–2 per cent of Russia’s labour force was involved in strikes, while the number of labour days lost to strikes in Russia was lower than in Western Europe. Labour was also marginalised in political decision making, as Yeltsin’s government pursued policies that proved inimical to the interests and well being of the vast majority of workers (Crowley and Ost 2001). Scholars have proposed four contending explanations for Russian labour’s quiescence in the face of these policies: changes in the global structure of production; organisational and ideological legacies of communism; political opportunity structures and elites’ interests; and cognitive obstacles to collective action. These explanations are not mutually exclusive, but each stresses different causal factors and processes.

The first explanation points to changes in the global structure of production that coincided with the post communist transition. As elaborated by Paul Kubicek, this explanation rests on the fact that unions everywhere have been weakened by four major shifts: (1) the erosion of manufacturing industries and jobs that are most conducive to unionisation; (2) the attendant decline in the size of enterprises, which is less amenable to unionisation; and (4) economic globalisation, which privileges mobile capital over labour and increases pressures for competition and flexibility in labour markets. All four shifts were prominent in Russia’s economy during the 1990s reform programme. Some of Russia’s massive industrial plants were closed or restructured, labour moved from manufacturing to service sectors and from larger to smaller enterprises, and the outflow of capital greatly exceeded the inflow of investment in the liberalised capital regime (Desai and Goldberg 2008). Russian labour was also in surplus, further weakening its position. Even in Western European industrial states with strong national labour federations, these structural changes have weakened labour’s bargaining power. In the post communist states they militated against unions even establishing influence; in Kubicek’s (1999) terms, the “Western sun was setting” on labour’s power globally by the time communism collapsed.

The second explanation points to legacies of communism, including enterprise level production relations and ideology, to explain labour quiescence. Its proponents point to the fact that Soviet workers depended on their employing enterprises not only for jobs and wages, but often for housing, medical care, access to consumer goods, social services, recreation, etc. Many of these benefits were controlled and manipulated by managers, but social provision also had a paternalistic aspect. This system of enterprise distribution created “multiple strands of dependence” that, according to some scholars, tied workers to their enterprises in ways that made the costs of protest prohibitive, and subordinated individual workers to management in ways that undermined solidarity. Conditions were different in the few strike prone sectors: mining and public service
provision. Here enterprises distributed meagre in kind benefits compared with most sectors of industry. Thus, according to Stephen Crowley (1997), Russian and Ukrainian coal miners struck in 1988–91, while steelworkers in the same cities did not, because steel mills distributed many more in kind goods and services to their workers in a discretionary manner than did coal mines.

Other studies rely on variants of the “legacies” argument. Through a closely observed ethnographic study, Sarah Ashwin (1998) explains workers’ “endless patience”, in particular their post transition demobilisation in a formerly militant Kuzbass coal town. Her study shows how everyday life in the labour collective during the mid 1990s produced alienation and workers’ reliance on individual survival strategies, resulting in a lack of collective action among the miners as well as electoral support for authoritarian leaders who promised greater protection. Another variant of the “legacies” argument points to the state’s appropriation of working class identity and workers’ resulting ideological confusion. Crowley and Ost (2001, 211) for example hold that official communism had “appropriated socialist ideology and working class identity”, leaving post communist workers unable to forge an authentic collective identity or formulate legitimate collective interests. In a somewhat different vein, Filtzer (1994) argues that Russian workers had to go through a Marxian process of post communist reformation as a class.

A third explanation focuses on political opportunity structures, resources and interests, particularly the interests of governmental and trade union elites. As noted above, Yeltsin’s reform programme made few concessions to workers’ interests, and he soon distanced himself from the independents. As the 1990s progressed, Russia’s government depended increasingly on opaque, often corrupt relations with economic and other elite strata, rather than political and electoral support from broad social groups. Political parties proved too ephemeral to form stable alliances with unions. In short, the governing elite grew increasingly insulated and autonomous from societal pressures. Meanwhile, leaders of the main trade union federation, the successor FNPR, depended on the government to maintain its inherited status and property, and its control over distribution of social insurance and other benefits. The successor unions’ retention of these resources, and the potential cost of losing them (as had happened in some other post Soviet states) continued to attach leaders and members to the successor unions and to keep leaders focused on elite politics (Davis 2001).

In any case the successor FNPR had too little authority with rank and file workers to challenge the government, and fell back on old habits of cooperation with management to protect the union prerogatives. The independent unions remained too small, weak, and divided to represent or bargain on behalf of labour. There were, in sum, no powerful unions that had an interest in challenging the government, and, by the mid 1990s, virtually no one in government who had an interest in listening to workers’ grievances. Paul Christensen (1999) communicates affecting the “neoliberal neglect” of labour’s interests in the Yeltsin period, and the resulting disillusionment of workers with democracy. He, as well as Kubicek (2004), argues that organised labour forms a key part of the civil society that is necessary to hold governments accountable, and that labour’s weakness and political marginalisation augur poorly for democracy’s future in Russia and elsewhere.

A fourth explanation for quiescence focuses on cognitive limitations, in particular the difficulty of assigning blame for labour’s grievances or figuring out who could or should redress them. In Russia’s chaotic economy of the 1990s, with its shifting mix of state, private, shareholder, and municipal ownership, implicit subsidies, barter transactions, and the opaque system of fiscal federalism that funded the public sector, it was genuinely difficult for workers to identify the culprit(s) that should be blamed for unpaid wages and other problems. In a survey conducted at the depths of the wage arrears crisis in 1997–98, for example, Debra Javeline (2003a, b) found that
the vast majority of Russia’s workers could not assign blame for their unpaid wages to any individual or institution, while the minority who could assign blame proved much more likely to engage in protest. Javeline concludes that the widespread inability to attribute blame under mined labour activism. She argues, further, that while political entrepreneurs could have compensated for this information gap, they rarely tried in Russia during this period.

While quiescence predominated, it is important to recognise that Russian workers and unions were far from entirely passive during the 1990s, and mobilisation levels did vary across sectors. Public sector workers, in health care and especially education, mounted strikes throughout the decade, with mobilisation increasing in response to the 1997–98 financial crisis (Greene and Robertson 2004). The FNPR regularly sponsored largely ritualistic nationwide “Days of Protest”. Unions made electoral alliances with a range of political parties. Some FNPR unions allied with the Communist and Agrarian Parties, which together used the Duma to block reforms in the 1990s. The FNPR’s leadership formed a bloc with the main organisation of industrial managers, Arkady Volsky’s Russian Union of Industrialists and Entrepreneurs, which failed electorally but had some effects on privatisation policies, mainly to the benefit of managers. Boris Misnik’s pro-reform Metallurgical Union, which broke away from the FNPR, briefly seemed significant. Public sector unions supported the liberal Yabloko Party, the independent unions tried but failed to form stable federations, and there were periodic grass roots organising initiatives. Some local unions resisted or negotiated changes at individual enterprises (Cook 1997; 2007).

Increasingly, though, labour activism consisted of sporadic, localised wildcat strikes and desperate tactics such as hunger strikes, hostage taking, and the “Rail Wars” in which miners blocked the Trans Siberian and other major railway lines in response to the 1998 financial crisis. At their most extreme, protesters adopted tactics of the incarcerated and disempowered. Many of the strikes that did take place were “directors’ strikes”, initiated and promoted by management and sometimes local administrations, with the goal of extracting resources (i.e. contracts, wages or subsidies) from higher, regional, or federal levels of government (Gimpelson and Triesman 2002; Robertson 2007).

During Putin’s presidency from 2000 to 2008, the Russian economy went through a period of sustained growth averaging 7 per cent per year, sufficiently robust to place Russia in the category of rapidly emerging economies or BRICs – Brazil, Russia, India, and China. During these years the economic and social conditions of labour improved. Real wages recovered, social benefits were reinstated, unemployment declined, and poverty fell by half (Åslund and Kuchins 2009). At the same time, as the Russian state moved in an increasingly authoritarian direction, the FNPR was incorporated into an alliance with United Russia and the Putin–Medvedev government. FNPR leaders continued to articulate some of the interests and concerns of labour (opposition to Russia’s WTO membership, immigration restrictions). Overall, though, under Putin FNPR unions became “para statal organizations intended to manage workers rather then represent them” (Greene and Robertson 2010).

Transformations of Russia’s labour force and labour markets

Structural changes in Russia’s economy have deeply affected the shape of the labour force and conditions in labour markets. By the late 1990s most workers were employed in privatised facilities or in the new private sector that is concentrated around services and trade. By 2004 the proportion of manufacturing employment had fallen by about 40 per cent, while market and public services employed more than 60 per cent of the total labour force (Desai and Goldberg 2008, 15). Natural resources (oil and gas, metals) accounted for the bulk of exports, while Russia’s economy has
become increasingly segmented and stratified, with wealth and high wages concentrated in the business and financial service sectors of major cities, and in the oil and gas producing regions. Many provincial areas remain depressed and impoverished. Growing government budget revenues, deriving mainly from energy exports, brought increases in employment, wage, and benefit levels, but relatively limited progress in economic modernisation or diversification (Åslund and Kuchins 2009).

Russia integrated into the international economy mainly as an exporter of energy and importer of finished goods. It retains relatively little of the high value added production that might be expected to bring improvements in the skills, efficiency, wages, working conditions, and bargaining power of labour. Under Putin, the ownership structure of Russia’s productive and financial assets has undergone some re-nationalisation, with ownership shifting from the oligarchs toward the state and mixed state-private conglomerates. The limited activity of multinationals is concentrated in food, oil and gas, and automotive industries. Corruption, unstable legal and tax regimes, and sometimes outright seizures of assets have dampened interest in foreign investment. The elite’s strategy of reliance on energy exports to fuel growth offers little labour market opportunity to the vast majority of workers, and leaves Russia’s economic stability and workers’ welfare vulnerable to shifts in international markets such as that in 2008–09. This strategy takes poor advantage of one of Russia’s comparative advantages, its relatively well educated labour force. In the Russian economy, “higher levels of skills and education … are not being transformed into higher productivity” (Desai and Goldberg 2008, 29).

There is also a dark underside to post-communist labour market changes in Russia, including informalisation, black markets, and the growth of human and drug trafficking. For a period during the 1990s, Russia’s economy became demonetised, declining into barter and informality. Though economic and state recovery have brought substantial re-formalisation, there remains a substantial sector in which regulations on wages, hours, safety standards, benefits, etc. are not enforced, while state regulation remains weak even in the formal sector. Human trafficking has grown, driven by unemployment and poverty in provincial areas, and by demand for informal labour in unskilled manual work as well as domestic care work, entertainment, and sex services in Europe and elsewhere. The ILO (2009) reported growth in trafficking for both sexual and labour exploitation from 2002 to 2006. Black markets in illegal drugs, mainly from Central Asia and Afghanistan, are also a serious problem, contributing to growing levels of addiction among young people in Russia (Tyuryukanova 2005).

Finally, Russia’s demographic decline is having a major impact on labour supply, immigration policies and practices, and policies toward women. From the early 1990s until 2006 Russia experienced a decline in population of more than 700,000 per year, with excess mortality concentrated among middle-aged men still in their working years. This decline has led to labour shortages, with deficits anticipated to grow in the coming years. Excess labour demand in turn has attracted large numbers of often illegal migrant labour from the Caucasus, Central Asia, China, and elsewhere to work in construction, transportation, and trade. Migrant workers often face discrimination and xenophobia, while immigration policies and restrictions have become a source of political tension in Russia (Åslund and Kuchins 2009). Migrants also send home remittances that have become crucial to the economies of small neighbouring states, creating a new form of economic and labour market interdependence in the region.

Apprehension about the long term effects of the demographic decline on the labour force, military recruitment, etc. has in turn induced the government to re-introduce or re-enforce a set of pro-natalist or “maternalist” protections and regulations in labour markets. Some analysts see these policies (extended maternity leaves, increased child benefits, etc.), as subtly restrictive “neo-familialist” measures that have the intent – though in Russia so far not the clear effect – of making
women less desirable as employees, reducing their future earnings, and removing some from the labour force, or at least from full-time work in their career tracks (Teplova 2007).

Russia’s labour rights and labour-market institutions

During Russia’s semi-democratic period in the 1990s, labour gained rights to organise, bargain collectively, strike, and engage in political protests and in electoral and legislative politics. While Yeltsin sometimes manipulated and threatened labour unions, he mainly ignored them while they fought among themselves, with the FNPR using every possibility to block development of the independents. Still, formally unions’ rights were respected. Since 2000 these collective rights have gradually been eroded. The 2003 Labour Code consolidated the dominance of the FNPR and weakened unions’ oversight in disciplining and dismissals of workers. Broader restrictions on political expression, protest and press freedoms have limited labour’s rights. Harassment and persecution of independent activists are common. Though strikes remain technically legal, workers’ rights to strike have been hedged in by so many restrictions that Russian courts can find virtually any labour action illegal (Cook 2010). The International Trade Union Confederation’s Annual Survey of Trade Union Rights cited Russia for systematic and serious violations, reporting “Attacks on trade union leaders, government interference and persecution, denial of registration and recognition, anti-union harassment in the workplaces and lack of effort in investigating violations of trade union rights are ... an everyday reality” (ITUC 2008).

Labour market institutions (in the sense of both organisations and rules) have also followed trends that militate against workers’ employment and collective rights. Russia inherited from the Soviet economy extremely rigid labour markets, with administrative assignment and life-long job security the norm, firing of workers restricted, special protections for women and youth, and uniform job classifications and wage scales set at the national level. Much of this rigidity was eroded by informal changes during the 1990s, and the 2003 Labour Code Revision formally introduced greater flexibility, legalising short-term contracts, liberalising rules on overtime, hiring and firing, etc. Russian managers, supported by the World Bank, IMF, and multinationals, lobbied for these liberalising changes, which give them greater discretion over workers’ tenure, work schedule, and assignments. Here Russia has followed broad international trends, with its labour markets currently characterised by an average level of flexibility (Cook 2010).

Finally, Russia’s labour force has contracted overall, and collective bargaining has become highly decentralised. The Soviet period featured extremely high levels of labour force participation, especially for women. In the present Russian economy, participation rates have fallen overall, especially for women and youth. The ILO has found large gender-based wage disparities as well as gender and ethnic discrimination. At the same time, collective bargaining over wages and working conditions (though in Russia it never afforded labour much autonomous power), has been decentralised below the sectoral level, often to the individual enterprise, and agreements are frequently ignored or violated. Similar decentralisation of wage bargaining is common throughout much of post-communist East and Central Europe. By contrast, sectoral level bargaining is seen by analysts as one of the keys to unions’ still significant influence in Western Europe. Both restrictions on rights and existing labour market institutions and practices are inimical to recovery of labour’s power in Russia.

There was an effort of sorts to establish corporatist, tripartite bargaining structures in Russia. A Tripartite Commission, bringing together representatives of government, management, and labour, was formed in the early 1990s. Little good faith bargaining took place, however, in part because there were no broadly accepted national peak associations that could effectively represent labour or management and in part because neither management nor government had much incentive
to bargain with Russia’s weak labour organisations. Analysts agree that Russian tripartism was a “charade”, or form of “illusory corporatism”, exposing, in Walter Connors (1996) memorable phrase, Russian labour’s “tattered banners” (also Ost 2000).

**Revival of labour activism and recession?**

Despite this generally bleak picture, a degree of labour mobilisation did re emerge in Russia beginning in 2006, during the years of austerity. Strikes began first against foreign owned automotive enterprises, the best known against Ford near St Petersburg and Renault in Moscow, then spread to Russian owned enterprises in oil, gas, and manufacturing, then to the public sector, particularly transport. They constituted a strike wave of modest proportions across the country. Actions took the form of “classic” strikes, with workers directing at managers demands for higher pay and better working conditions. Sotsprof appeared in several of these strikes, as did other small, localised militant independents. They raised the spectre of “normalised” organised labour in Russia making positive demands against profitable companies in the new market economy (Greene and Robertson 2010).

In 2008 the global economic downturn, particularly the rapid drop in prices in international energy markets, pushed Russia’s economy into deep recession. The effects on labour – contraction of employment, dismissals, freezing or reduction of wages, and a sharp decline in real disposable incomes – were harshly negative. By the end of 2009, official unemployment (by the ILO’s definition) had risen above 8 per cent, with workers in single industry or company towns especially at risk, and managers had returned to pre 1998 practices of enforced administrative leaves and shortened work days and weeks. Social services and payments were cut at many enterprises.

These developments led to an increase in protest activity across Russia’s regions. The most publicised action took place in the city of Pikalevo, where plans to close an enterprise led to the public and demonstrative chastisement of management by Putin. It became a symbol of the new protest wave. There were also demonstrations in the Altai region and Kaliningrad, at the Avotvaz Auto Plant in Togliatti, and among miners in Vorkuta and elsewhere. The majority of these collective actions did not taken the form of classical strikes but had a “crisis character”, for example saving the enterprise from the imminent threat of closure or mass lay offs, though there have also been offensive strikes. Many actions have had a local and unorganised character, beginning without formal planning or trade union leadership, with small protests growing into larger ones. There has developed a significant tendency for workers’ protests to move outside enterprises and to combine, often spontaneously, with other population groups protesting in defence of other social (e.g. housing or pension) rights. The present level of activism among Russia’s workers remains low in terms of international comparisons and largely defensive, but it has led to greater expectancy of protest among government leaders and acceptance of strikes as a legitimate form of demand making by the public (Kozmina 2009).

**Conclusion: divergent views of labour’s future in Russia**

Contemporary scholars offer at least four distinctive perspectives on labour’s future in Russia, each based on a differing analysis or understanding of the present situation. Paul Kubicek and others maintain that organised labour has been permanently disempowered by the forces of economic globalisation. David Ost anticipates a qualified revival of labour’s strength. Graeme Robertson (2007) argues that labour organisation and strikes are likely to remain severely constricted in electoral authoritarian polities such as the Russian. Finally, Greene and Robertson, along with
Henry Hale implicitly, see the potential for labour discontent to play a significant role in destabilising Russia’s electoral authoritarian regime.

The first view, taken by Paul Kubicek and others (discussed above), sees globalisation and its accompanying changes in the structures of production and labour markets as permanently disempowering for labour in Russia and progressively worldwide. By contrast, David Ost, long a close observer of East European labour and politics, argues that after a long period of decline and quiescence, post-communist labour unions have begun to revive. However, they will not return as the inclusive, mass democratic labour movements of the past, but in a more limited, narrow, elitist form. Revived unions will include and empower only the top strata of skilled, mainly male, workers in key production sectors. The large majority of workers will not recover bargaining power, but will remain organisationally weak and politically marginal (Ost 2009).

In yet another distinctive view, Graeme Robertson (2007) assigns a central role to political regime type in assessing labour’s future, arguing that labour activism and protest in electoral authoritarian regimes such as the Russian is likely to take different forms than it has historically in democratic and democratising systems. In Robertson’s view, Russia’s political regime deprives labour of the capacity for independent political mobilisation. As a consequence, workers are likely to protest only in desperation, or in actions organised and directed by elites (i.e. directors’ strikes.) The patterns of activism observed in Russia both in the late 1990s and in the 2008–09 recession do conform to and seem to support this analysis, which assumes the long term marginalisation of labour as an autonomous social force.

Finally, in a more recent assessment with Greene, Robertson points to the potential for discontented labour to destabilise the current authoritarian Russian regime. Stressing workers’ expectations of “social responsibility” and the regime’s social rhetoric, the authors argue that Russia’s workers are developing a sense of entitlement that may motivate them to challenge the current leadership (Greene and Robertson 2010). In a broader analysis of stability and instability in electoral–authoritarian regimes, Henry Hale (2005) assigns an important (if indirect) role to popular discontent. Hale argues that the limited electoral competition maintained by these regimes leaves them challengeable and thus potentially vulnerable. The loyalty and compliance of regional and other lower level elites to the political centre is key to the electoral survival of executives. While popular discontent alone cannot bring change, it can contribute to elites’ loss of confidence in, and defection from, the executive, and his replacement in an election cycle.

In sum, most analyses stress the quiescence and political marginalisation of post-communist labour, and broader mass society, in Russia and other electoral authoritarian regimes. At the same time, recent research calls into question this assumption of labour’s continuing passivity and political marginalisation, and suggests new frameworks for thinking about its future significance in Russia.

Note
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The headline stories regarding gender in post-Soviet Russia have concerned women’s employment prospects in Russia’s liberalised economy, which were initially presumed to be dire, and the collapse of men’s life expectancy. While women’s employment held up better than expected, men’s superior status in the labour market was preserved. The fact that men seemed less able to “survive” the transformation, in the literal sense of the term, therefore presented a paradox. This chapter examines the debates surrounding gender differences in responses to Russia’s transformation since the collapse of the Soviet Union. In doing so, it frequently refers to the Soviet legacy, which is indispensable to understanding contemporary gender issues.

**Gender and state policy**

The Soviet state promoted and institutionalised a distinctive “gender order” which has had a lasting impact on gender relations and gender identities in post-Soviet Russia. The 1990s constituted a rupture in policy terms but not in the behaviour of men and women, which continued to be structured by Soviet gender norms. In the 2000s some Soviet policy themes, in particular the pro-natalist emphasis on women’s role as mothers, were resurrected in a modified form.

There is broad agreement on the contours of the Soviet “gender order” (Ashwin 2000), a concept that Anna Temkina, Anna Rotkirch and Elena Zdravomyslova have supplemented with the notion of official and everyday “gender contracts” – the former established through public policy, and the latter through the behaviour and compromises of individuals – which determine the gender division of labour (Temkina and Rotkirch 2002; Zdravomyslova and Temkina 2004). The following discussion identifies the key elements of policy responsible for the creation of the Soviet gender order. At their heart was the assumption, shared by members of the Soviet elite from 1917 onwards, that citizens existed to serve the state in its mission to build socialism. At the same time, from the beginning state policy was also decisively shaped by unquestioned essentialist assumptions regarding the “natural” role of men and women. Thus, men and women were ascribed distinct forms of service in the new polity, which had the effect of preserving the secondary status of women.

There is little question that the most important role of women and men from the perspective of the state was as workers. Work was a quasi-compulsory form of social integration in the Soviet era. It also became an economic necessity since Soviet wage scales and pensions were premised on the idea of the dual earner family (Lapidus 1988, 92–3). But despite their radicalism in integrating women into the labour force, the Bolsheviks continued to emphasise women’s role as mothers, which was simply transformed from a private matter into a demographic duty to the state.
Moreover, neither the Bolsheviks nor their successors challenged the idea of domestic work as inalienably feminine (Ashwin 2000, 11–12). Rather, it was supposed to be brought into the public sphere, where women would be paid by the state to perform it (Lenin [1919] 1937, 496–7). This aspiration, however, was only realised to some extent in the realm of childcare, so women retained responsibility for household management throughout the Soviet period. Therefore, despite the changes brought by Soviet power, the gender hierarchy inherited from the past was preserved: the acceptance of supposedly natural sexual difference on the part of the new communist elite informed both what was expected of women as wives and mothers and the terms on which they were integrated into the labour force – as second class workers (Katz 2001).

Men’s duty to the state lay only in the public sphere, where they were to serve as workers, managers or members of the military. There was a notable silence on the part of the regime regarding the role of men as fathers (Issoupova 2000; Kukhterin 2000), while men were not encouraged to immerse themselves in the politically suspect life of the private household. At a popular level, men’s lack of domestic involvement was implicitly justified by their role as “breadwinners”, the ideal of the male breadwinner having been preserved as a result of the fact that men's average wages exceeded those of women (Kiblitskaya 2000). The notion of what constituted a breadwinner was simply shifted from that of sole earner to primary (highest) earner.

The Soviet gender order had a number of important practical implications. First, it was unbalanced. In addition to working full time, women were expected to take primary responsibility for domestic duties – their notorious “dual burden” (Lapidus 1978, 232–84). Working motherhood was facilitated by nurseries, kindergartens, clubs for “pioneers” and school children, as well as pioneer camps in the summer. Such state care was supplemented by the help of (mainly female) relatives and friends (Zdravomyslova 2009, 97). Nevertheless, making these arrangements was a mother’s responsibility. The domestic division of labour was never problematised by policy makers and, given the political monopoly of the Communist Party and comprehensive censorship, there was no opportunity for women themselves to develop a critique of their situation through public debate and organisation (Browning 1987). This meant that gender inequality was preserved – both at home and in the labour market.

Second, men were weakly integrated into the Soviet family. Olga Issoupova (2000, 31) argues that the Soviet authorities created a triangular relationship of mother–child–state, from which fathers were symbolically excluded. This had consequences: as Anna Rotkirch (2000, 111) put it, “the frailty of men’s presence and position in the family has been a constant ingredient in the everyday knowledge of the Soviet people”. Soviet social reproduction was matrifocal, with family life relying “heavily on cross generational help and care giving relations, taking place mainly between women. This further lessened the functional necessity of the husband and also helped estrange him as a parent” (Rotkirch 2000, 112). Thus, although apparently benefiting men, the domestic division of labour in the Soviet era undermined their position in the household, while also leading to endemic marital conflict.

Despite its evident defects, the collapse of the Soviet system did not lead to a coherent repudiation of the Soviet gender order. Mikhail Gorbachev famously suggested that women might return to their “purely womanly mission” in the home (Gorbachev 1987, 177), and worried about the costs of “emancipation”. This theme was echoed by the Russian Labour Minister in 1993, Gennady Melikyan, who, when asked about measures to combat female unemployment, replied, “Why should we employ women when men are out of work? It’s better that men work and women take care of the children and do housework. I don’t think women should work when men are doing nothing” (Morvant 1995, 5). While such preferences may have been widely shared
among the new political elite, no systematic policy was pursued to this end. Indeed, the dramatic fall in living standards caused by “shock therapy” meant that women’s contribution to household income became more necessary than ever (Burawoy et al. 2000).

For working mothers, state policy in the 1990s was largely experienced as abandonment (Rivkin Fish 2010). As Issoupova (2000, 39) argues, the popular understanding in this period was “only you need your child”. Although the state continued to provide family support, and even expanded the existing categories of assistance, the value of the payments did not keep up with inflation, and amounted to less than 5 per cent of the (low) average wage (Rivkin Fish 2010, 710). Meanwhile, kindergartens, which had previously been provided by state enterprises, were supposed to be transferred to local authorities after privatisation. The latter often did not have the resources to keep them open or fund them properly, which meant a decline in the availability of places and an increase in cost to parents, sometimes combined with a reduction in the quality of care (Teplova 2007, 292). The pro natalism of the Soviet era was thus quietly dropped, although not without protest from conservative politicians, journalists and demographers lamenting the death of the nation, as the birth rate plummeted from 1.89 children per woman in 1990 to 1.17 in 1999 (Teplova 2007, 709–10).

Meanwhile, although fatherhood gained greater prominence in the press and popular discourse (Issoupova 2000; Kukhterin 2000), this was generally not reflected in state policy. One exception was that from 1992 eligibility for childcare leave (available on a paid basis for 18 months and unpaid for a further 18 months) was extended to fathers and other relatives, who could take the leave with the written permission of the mother (Teplova 2007, 298). But measures that have been used elsewhere to encourage fathers to use parental leave – such as a non transferrable “daddy quota” – were not employed. Indeed, the government does not even publish statistics regarding the proportion of fathers taking leave, though commentators suggest that nearly 100 per cent of it is taken by mothers. Research is needed into whether there is any tendency for men to use this leave when the woman is the higher earner.

While little was done to encourage men’s role as fathers, the economic reform programme undermined the one clear role men did have within the Soviet family – that of primary breadwinner (Kiblitskaya 2000). Shock therapy led to the “deepest and most sustained recession in world history” during the reform era (Clarke 1999, 1). In mid 1998 statistical real wages were a little over half their 1985 level (Clarke 1999, 120), while rising inequality and endemic wage delays meant that for many the decline in living standards was much greater than this. In this situation, it was hard for men to perform as main breadwinners, let alone facilitate the return of women to their “womanly mission”.

Interestingly, the idea that citizens were abandoned by the state during the 1990s appears to be endorsed by the Putin administration. The introduction to Russia’s “priority national projects and demographic policy” on the website dedicated to that programme notes that although it now seems “incontrovertible” that the main aim of government policy should be raising the quality of life of citizens, just a few years ago “its incontrovertibility was not at all obvious”3 – a statement which is followed by an account of the devastation wrought by the state in the 1990s. Nevertheless, the context of this statement hints at the fact that a citizen’s “quality of life” is still not viewed as an end in itself. Instead, improved quality of life is intended to be instrumental in the development of the nation, which, as in the Soviet era, requires gendered contributions from citizens.

The new approach was signalled by Putin’s annual address to the nation on 10 May 2006 in which he announced the policy of “maternity capital”. This was a policy explicitly designed to increase the birth rate by providing “support [to] women who decide to have a second child” (Putin 2006). With effect from 1 January 2007, women giving birth to a second or third child were
entitled to “maternity capital” worth approximately $10,000, indexed to inflation, when the child reached the age of three. The money is not given in cash, but as a voucher usable for three purposes: the purchase or improvement of housing, the child’s education costs or the augmentation of the mother’s pension fund (Rivkin Fish 2010). In the same speech, Putin also announced substantial increases in monthly allowances for family members who care for children, increases in the government contribution to childcare for pre school children, an increase in the value of childbirth certificates used to pay for care at pregnancy and maternity units, and measures to encourage foster parenting of orphans (Putin 2006).

Putin’s speech “appropriated notions of gender and parenthood that were typical of the Soviet period” (Rotkirch et al. 2007, 356). While Putin refrained from Soviet style glorification of mothers and relied on pragmatic, economic arguments, the return to Soviet gender politics was evident in several features of his speech. First, with its emphasis on “getting women back into the workforce again” after maternity leave (Putin 2006, 387), the speech explicitly endorsed the Soviet model of working motherhood. Second, fathers were “glaringly absent” from the address, as they were from Soviet era public discourse (Rotkirch et al. 2007, 352). Third, Putin offered women compensation for “the losses he assumed they must inevitably incur” as a result of their maternal role (Rivkin Fish 2010, 716). Thus, while Putin (2006, 388) lamented the “dependent and even frankly degraded position in the family” of non working mothers caring for their second child, he did not question the existing gender division of labour responsible for this “degradation”.

After the disruption of the 1990s, therefore, state policy again endorses the Soviet gender order. But the context in which men and women are expected to fulfil their roles has changed dramatically with the liberalisation of the economy. Beginning with an analysis of the labour market, the next sections consider gender differences in adaption to this new reality. This has been a major focus of academic debate since the end of the Soviet era.

Adapting to the new Russian labour market: gender differences

Many commentators predicted that economic reform would have a differential impact on men and women, with women being its primary victims (for a summary of such views see Ashwin and Bowers 1997 and Katz 2001, 205–7). Two significant claims were that unemployment would have a “female face”, and that women would voluntarily leave the labour market once they were no longer forced to work by the Soviet state. Both of these predictions have proved unfounded. First, when the Labour Force Survey, using the internationally comparable definition of unemployment, was introduced in 1992, the male unemployment rate was found marginally to exceed the female (Ashwin and Bowers 1997). It may be the case, as Katarina Katz (Katz 2001, 213) suggests, that women were disproportionately affected by the wave of redundancies before the Labour Force Survey was introduced, but since 1992 women have never been the primary victims of unemployment. This remains the case: official figures from July 2010 show the unemployment rate for men marginally exceeding that for women at 7.5 per cent versus 6.5 per cent. The assumption that women would voluntarily withdraw from the labour force also proved unfounded. Both male and female employment dropped significantly between 1989 and 1998, but the gender differences in these falls were marginal, with female employment declining by less than ten million, and the male employment declining by over nine million (Katz 2001, 211). As of 2008, women still comprised over 49 per cent of the employed population.

While women have retained their presence in the labour force, gender inequality in employment has persisted. Given the nature of Soviet official statistics, it was difficult to calculate the level
of the gender wage gap precisely, but in the late Soviet era women were estimated to earn between 65–70 per cent of men’s monthly wages. Studies of the wage gap in the 1990s suggested continuity with the Soviet era (Newell and Reilly 1996; Arabsheibani and Lau 1999; Katz 2001, 224–6), with a study using Russian Longitudinal Monitoring Service (RLMS) data from 1996–2002 finding that women earned 66 per cent of men’s average annual wage in 2002 (Kazakova 2007, 370). Meanwhile, the gender restructuring of employment during transition also appears to favour men, with men increasing their presence in the now lucrative, but once female dominated, spheres of banking and commerce, and women continuing to make up the overwhelming majority of employees in the poorly paid “budget sector” areas of health care and education (Katz 2001, 216).

Using surveys of employment, income and attitudes carried out by VTsIOM in 1998, Theodore Gerber and Olga Mayorova (2006, 2064) confirm this somewhat contradictory picture: while women had a better chance of being employed than men during the 1990s, they were nonetheless “increasingly excluded from high quality jobs and channelled into low quality jobs”. Although not conclusive, the existing literature offers some insights into this puzzling situation. In terms of women’s continued employment, researchers have offered both supply side and demand side explanations. On the supply side, women are prepared to work for low wages when necessary to provide for their dependants, while men are less prepared to take low paid jobs, or jobs traditionally defined as “feminine”. Their greater flexibility increases women’s chances of employment in an era of economic decline (Ashwin 2006a; Gerber and Mayorova 2006). On the demand side, while Russian employers may have a “taste” for discrimination, given their need to fill poorly paid positions it is difficult for them to do without female labour (Ashwin and Bowers 1997; Gerber and Mayorova 2006).

The continued employment of women is thus related to their concentration in low paid positions. But why are they paid less? It cannot be explained by lower human capital or lower working hours. Russian women actually have the advantage in terms of human capital endowments, while differences in working hours explain only a “miniscule part” of gender wage differences (Ogloblin 1999, 610, 618). Ogloblin concludes that most of the wage gap is due to very high levels of gender job segregation. This sorting of men and women into different professions is a social process informed by ideas about what is “appropriate” work for men and women, which in turn are influenced by the Soviet institutional inheritance (Kozina and Zhidkova 2006; Ogloblin 1999). Kozina and Zhidkova’s analysis of the gender stereotyping of jobs in the post Soviet era shows that while various criteria are used to designate the gender of jobs, the constants are that women’s jobs are considered lower status and deserving of lower pay. They argue that this results from the way in which women’s role as workers in Soviet Russia was always implicitly nested within their prior identities as mothers and household managers. Women were thus seen as “special” workers and paid accordingly. As will be seen in the following section, little has changed in the domestic division of labour to challenge such assumptions.

**Within the household: relations between men and women**

Despite the fact that Russian women have now been granted freedom of expression, more right to organise and access to feminist ideas (if they want them), there has been surprisingly little change in the domestic division of labour or the gender norms that support it. Even the undermining of the male breadwinner role in the 1990s did not shift the existing pattern.

Although most Russian women want to work (Ashwin 2006a; Ashwin and Bowers 1997), the majority also, along with men, endorse the ideal of the male breadwinner and female responsibility for household management (Ashwin 2006a; Teplova 2007). During the 2000s, there was evidence
of a shift towards more gender egalitarian beliefs among young, unmarried, university educated, non-religious people, but in other groups gender traditionalism remained strong (Motiejunaite and Kravchenko 2008). This is reflected in aspirations and behaviour. Women continue to take responsibility for household management and perform most domestic labour (Kravchenko 2008, 124). Upper middle-class career women, among whom new lifestyles are emerging, continue to manage the domestic sphere, even if they are now able to pay poorer women to do their cleaning and childcare (Zdravomyslova et al. 2009, 14). Data from the ISITO 1998 household survey also showed that women usually manage the household budget (Clarke 2002), and they have primary responsibility for organising or performing childcare (Zdravomyslova 2009).

Data gathered during the economic instability of the 1990s revealed that the domestic division of labour did not change even when men’s role as primary breadwinners was challenged. Table 27.1, using data from the 1998 ISITO household survey, shows that even in couples in which the woman worked and the man did not, the woman still devoted considerably more time to housework than the man. As can be seen, non-working men living with employed partners did on average only about seven hours a week more housework than their male counterparts who worked. Non-working women, meanwhile, did on average 12 more hours than their working counterparts, who themselves already devoted on average almost three times as many hours to housework as men in households where both partners worked.

Women are therefore the leading force in the household, playing a multifaceted role ranging from nurturing to economic management. As in the past, men continue only to provide minimal “help” in the home, generally seeing their duties as confined to performing “masculine” tasks. While in the countryside or in private houses there is a significant amount of such work to be done, in modern urban accommodation, which is where the vast majority of Russians live, men have little work to call their own other than carrying out repairs and taking out the rubbish (Ashwin and Lytkina 2004).

In the Soviet era both policy makers and academic commentators tended to focus on the consequences of this gender division of labour for women. From a policy perspective, women’s double burden was implicated in what was perceived as an unacceptably low birth rate, and to some degree in inequality in the labour market. Academic commentary tended to focus on the latter, as well as on women’s poor quality of life. The unequal domestic division of labour continues to be associated with gender inequality in the labour market (see above), while women’s elevated levels of stress remain a theme in the literature (Cockerham et al. 2006; Davidova and Tikhonova 2004). A new issue is the crisis of public childcare, with shortages of state kindergarten places causing demonstrations and hunger strikes in several Russian cities in May 2010 (The New Times 7 June 2010).

While these problems should not be minimised, it has become increasingly clear that men’s role in the household is also deeply problematic. First, fulfilling the role of primary breadwinner was at best challenging during the economic collapse of the 1990s, and has only gradually eased during

| Table 27.1 Average weekly hours spent on housework in working age couples (n = 1275 couples) |
|----------------------------------|-----------------|---------------|
| Both work (n = 866)             | 8.7             | 23.9          |
| Only husband works (n = 245)    | 8.7             | 35.9          |
| Only wife works (n = 128)       | 15.4            | 22.1          |
| Neither work (n = 36)           | 12.8            | 34.0          |
| **Mean**                        | **9.5**         | **26.3**      |
the 2000s. Research reveals high levels of anxiety about this among men, both regarding their position in established families and their ability to form a family in the absence of a “material base” (Ashwin 2006a, 37–43; Kay 2006, 78–9; Kiblitskaya 2000). Given the marginal role that men play in the day to day running of the household, failure to perform as a breadwinner renders them vulnerable to domestic “redundancy” and ultimately separation or divorce (Ashwin and Lytkina 2004). This is a particular threat when men’s response to their labour market difficulties is seen to exacerbate the problems of the household – as is the case when men turn to alcohol for solace (see below). Meanwhile, when men are excluded from the household, it generally intensifies their problems, as both the social support provided by the family and female control in relation to drinking and other risky behaviours are lost.

Second, men’s status as fathers remains fragile. Following divorce, men have very little chance of gaining custody of their children – even drug addicted mothers stand a reasonable chance of winning custody battles, so strong is the local norm that children should be looked after by their mothers (Kay 2006, 138–43). Enforcing a father’s right to access to his children is also difficult. As Kay (2006, 150) puts it, “from a man’s point of view, even if a marriage is going well, he can scarcely fail to be aware of … his inherent vulnerability by examples all around him. The potential for loss, not simply of the marriage itself but of a meaningful relationship with his children is … ever present”. Men’s “freedom” from domestic burdens thus comes at a high price.

Putting together the research on men and women, it is clear that the existing gender division of labour has negative consequences for both sexes and does not foster harmony between them. This is evident in the stubbornly high divorce rate, which stood at 4.9 per 1000 population in 2009. The undermining of men’s role as breadwinners since 1991 has only aggravated the situation, since the rigidity of local gender norms inhibits men from finding alternative ways of contributing to the household and wider society. Ultimately, the existing gender order constitutes a barrier to the adaptation of couples to a challenging new environment (Ashwin 2006b).

Surviving transition: gender differences in health and well being

Perhaps the most significant gendered outcome of Russia’s post communist transformation is the collapse in male life expectancy. A recent review of the evidence called this “one of the most serious public health challenges facing any industrialized country”, noting the scale in fluctuations of male longevity in Russia since the mid 1980s were “unprecedented in peacetime in any country with complete death registration” (Leon et al. 2009, 1630). This section examines explanations of the gender difference in life expectancy, and the reasons why women have been viewed as more adaptable in the face of social and economic transformation.

Male life expectancy plummeted in the 1990s, declining from 64.2 in 1989 (Goskomstat 2002, 105) to a low of 57.5 in 1994. It then recovered to 61.3 in 1998, only to fall back to 58.4 in 2002 (Goskomstat 2003, 117). In 2009 it stood at 62.7. Meanwhile, female life expectancy remained more constant, declining from 74.4 in 1989 (Goskomstat 2002, 105) to a nadir of 71.1 in 1994, followed by a stabilisation at over 72 between 1996 and 2002 (Goskomstat 2003, 117). In 2009 female life expectancy at birth was 74.6, nearly 12 years longer than that of men. These figures are mainly accounted for by the premature deaths of working age men – mortality in infancy, childhood and old age have remained relatively stable (Leon et al. 2009, 1630).

There is little doubt that alcohol plays a central role in the premature death of working age men (Leon et al. 2009). Surveys of alcohol consumption in Russia consistently show that men drink considerably more than women, and do so in a more hazardous fashion. But while it is fairly clear that the drinking behaviour of men is implicated in their lower life expectancy, the causes of
male alcohol problems are more contentious. Researchers are divided between those who see it as driven by socially structured lifestyle choices, and those who relate increased drinking to the stressful socio-economic circumstances of Russia's transformation.

William C. Cockerham and his colleagues have consistently argued that “it is the normative demands of a particular lifestyle, rather than psychological distress, that principally shapes the pattern of habitual male drinking”. Thus, “negative health lifestyle practices” are seen to be “the primary social determinant of falling male life expectancy” (Cockerham et al. 2006, 2393, 2382). This contention is based on their analysis of data from the 2001 Living Conditions, Lifestyles and Health Project, and their observation that the trend in falling male life expectancy was already present from mid 1960s: male life expectancy declined from 64 years in 1965 to 63 years in 1970. However, the data analysis of Cockerham and his colleagues does not fully support their conclusion. They acknowledge that their analysis “shows psychological distress is associated with male frequent drinking”. Their case therefore rests on the finding that distress is not significantly related to “habitual vodka drinking”. However, as they acknowledge, “habitual drinking suppresses distress … Therefore, habitual drinkers may not be distressed because they drink habitually” (Cockerham et al. 2006, 2390, 2392). This proviso seriously undermines their case, because it implies that the survey responses of habitual drinkers may not accurately reflect their state of mind. Moreover, a cross-sectional survey cannot establish the initial cause of already established habitual drinking, rendering any causal claims suspect. Indeed, given the addictive nature of alcohol, it is fairly safe to assume that some distressed “frequent drinkers” will go on to become “habitual drinkers”.

The alternative view – that men’s drinking is related to stressful socio-economic circumstances – appears to have far stronger support. A population based case control study in the Urals city of Izhevsk conducted in 2003–5 made important advances in analysing this issue. It employed a number of methodological innovations, including substituting self-reported alcohol consumption with the reports of proxy respondents (who lived with the man) on a variety of indicators of hazardous drinking including going on extended drinking binges and drinking surrogates such as industrial spirits (Tomkins et al. 2007). The study found a strong association between unemployment and low levels of household wealth and amenities and hazardous drinking in men, arguing that “men struggling economically are driven to alcoholism, and eventually end up consuming surrogates” because they cannot afford spirits (Tomkins et al. 2007, 551). The authors did, however, acknowledge the possibility of reverse causality (alcoholism causing poverty and unemployment). Further light was shed on this issue by a 2004 study of binge drinking in Moscow using a stratified random sample of 1,190 respondents which found that the odds ratios for binge drinking of men experiencing manifold economic problems were almost twice as high as those for men with few economic difficulties. Significantly, the opposite seemed to be true for women, who were less likely to binge drink when experiencing economic problems (Jukkala et al. 2008). Like Tomkins et al., these researchers noted the possibility of reverse causality, but argued that the gender difference made this explanation less likely for it should exist for both sexes. This strengthens the case that economic distress is a causal factor in men’s drinking. In addition to economic difficulties, divorce and separation also increase men’s chances of experiencing alcohol problems (Leon et al. 2009, 1634). Meanwhile, education has a protective effect, with the least educated most vulnerable, and men with university degrees having the lowest levels of alcohol problems (Jukkala et al. 2008, 667; Leon et al. 2009, 1634; Tomkins et al. 2007).

Why are men more likely to respond to economic difficulties by using alcohol? Here the argument of Cockerham et al. regarding the importance of cultural and gender norms governing drinking is relevant: Russian culture celebrates heavy drinking among men, while proscribing it in women. This means that an alcohol-related “solution” to a problem does not attract immediate
social sanction when practised by men, but entails greater social risks for women. Gender norms regarding drinking thus protect women, while endangering men.

But are there other reasons why economically distressed men are more likely to resort to drink than women? Attempts to analyse Russian women’s apparent superior ability to deal with privation have focused on the role of the gender division of labour in the household. A longitudinal qualitative study of 120 men and 120 women conducted between 1999 and 2001 in four Russian cities found that women’s role as household managers entailed a wide range of tasks compatible with their gender identities, which provided a sense of efficacy and meaning, and played some role in alleviating the psychological effects of unemployment or downward mobility at work (Ashwin 2006a). Similarly, Cockerham and his colleagues argued that “women have social roles that carry the expectation of continuing on with daily life and caring for their families … which may discourage disabling behaviour like drunkenness” (Cockerham et al. 2006, 2392). The converse is true of men. Research using the above mentioned longitudinal data concluded that men’s marginal role in the household, combined with the underdevelopment of the civic sphere and leisure infrastructure in Russia, means that it is very difficult for unemployed or low earning men to find meaning and validation outside work (Ashwin and Lytkina 2004). Work is central to their identity (whether as breadwinner or professional), social status, and, as noted above, position in the household. Unemployed or low earning men are thus acutely vulnerable to psychological distress.

Women’s embeddedness in the household brings other benefits. Analysis of the networks of respondents in the above mentioned longitudinal study showed the way in which women’s role as household managers linked them to a web of ongoing exchange relations with family members and female acquaintances (Tartakovskaya and Ashwin 2006, 180–3). By contrast, men’s social networks tended to be more narrowly focused on the workplace. While this undoubtedly has positive effects in terms of job search and promotion prospects, it means that men’s networks can be rendered vulnerable in the face of changes in employment status. Men who become unemployed or marginalised at work can find themselves cut off from the contacts capable of helping them. This danger is intensified by the fact that perceived equality of status is a more important consideration in mediating relations between men than between women. Thus, while women’s household focused networks are unlikely to be disrupted by changes in their labour market status, the fragility of men’s work centred networks tends to be revealed precisely in moments of adversity when they are most needed.

Paradoxically, women’s double burden may have provided them with some protection from demoralisation during Russia’s transformation, while cultural barriers mean they are less exposed to the lure of alcohol. By contrast, heavy drinking offers the most readily available “cure” to men dealing with problems such as unemployment and poverty, since they lack the household focused social resources that women are able to draw on. It is, however, very difficult to disentangle the precise causes of risky drinking behaviour, and the leading researchers in the area see it as “a research priority” requiring an interdisciplinary approach (Leon et al. 2009, 1634).

Conclusion

The research on gender in contemporary Russia reveals that the contradictions of the Soviet gender order remain a source of inequality and distress. Women continue to be confined to lower paid jobs and to carry a heavier domestic load, despite their strong labour market attachment. But, as revealed by their lamentably low life expectancy, men’s situation is scarcely better. Poor and unemployed men are particularly vulnerable, since it is very difficult for them to conform to local norms of masculinity without decently paid work.
A number of issues require further research. As noted above, a better understanding of men’s drinking patterns is a priority. Meanwhile, the stability of the post-Soviet gender order requires investigation. There are suggestions that young, educated Russians are adopting more gender-equal attitudes; this may presage wider changes. Childcare seems to be an area of tension. Demonstrations regarding the lack of affordable kindergartens highlight continued attachment to the model of working motherhood, while the arrangements which facilitated this in the past are precarious: state funding of childcare does not match demand, while private care by grandparents is being undermined by social trends such as higher levels of employment among pensioners. Since the care of children is an important driver of gender inequality, a better understanding of current parenting practices is crucial. In all these areas, a combination of qualitative and quantitative research will be required to capture the nuances of gender relations and their link to wider social trends.

Notes
1 This refers to the historically constructed pattern of power relations between men and women, and definitions of masculinity and femininity within a given society.
2 There was officially no part-time work in Soviet Russia, although a minority of women did work shift systems which gave them a reduced working week.
3 www.rost.ru/main/what/01/01.shtml (last accessed 26 August 2010).
4 www.gks.ru/bgd/free/b04 03/lsWWW.exe/Stg/d04/175.htm (last accessed 25 August 2010).
6 Table available at www.gks.ru/wps/portal/OSI N/DEM# (last accessed 6 September 2010). Rosstat only provides what is known as the “crude divorce rate” (measured per 1000 population). A more revealing figure is the divorce rate measured per 1000 married population. Nonetheless, the tendency is clear: the crude divorce rate tripled between 1950 and 1960 (0.5 to 1.5), doubled between 1960 and 1970 (1.5 to 3) and then rose gradually until 2002, when it peaked at 5.9 per 1000 of population.
7 Table available at www.gks.ru/wps/portal/OSI N/DEM# (last accessed 25 August 2010).

References
Clarke, S. (1999), New Forms of Employment and Household Survival Strategies in Russia (Coventry, Moscow: ISITO/CCLS).
Temkina, A. and A. Rotkirch (2002), Sovetskie gendernye kontrakty i ikh transformatiya v sovremennoi Rossi (Sotsiologicheskie isledovaniya 11: 4 5).


The Russian media provide a conundrum for political communication and democratisation scholars alike. The media sphere in Russia is rich and varied, with a wide range of state funded and commercial outlets. There has been a steady rise in the use of the internet and Russians have taken to the discursive medium of blogging with great enthusiasm. There have been a number of popular and even provocative television dramas on Russian television. Yet, all this variety and information exist within a political system that has become steadily less democratic since the collapse of the Soviet Union. The case of the Russian media, then, forces us to ask some fundamental questions about the nature of political communication. Why have a relatively broad range of information and media outlets not bred a freer and more open society? Are the Russian media in the grips of a post Soviet legacy that prevents real engagement between journalist and citizen? Finally, does the Russian case demonstrate that the link between information and democracy is neither as obvious nor as robust as one might assume, particularly given both the Russian’s state control of controversial news as well as the Russian audience’s acceptance of order over the more chaotic attractions of democracy? This chapter will explore these issues by analysing the Russian media landscape via a discussion of the Russian media in relation to global media models, news production, and content analysis, as well as the attitudes of the post Soviet audience towards their media. The chapter also reflects on recent studies of the Russian internet, which suggests that “Runet” may be more of a reflection of Russian politics as usual rather than a catalyst for political challenge via the online sphere.

The Russian media landscape

Russia has a wide range of media outlets and a variety of opinions that are expressed in broadcast, print, and online. The country also has an assortment of media ownership arrangements, with both state owned and commercial media. After a series of economic shocks in the 1990s, the economic stability of the Russian media, in particular television, increased steadily as the economy improved during the Putin presidential administration (Kachkaeva et al. 2006). Local television also underwent a period of growth and improvement (Fossato 2007). As in most of the world, television remains the most popular medium in Russia. The most prominent state run channel is the First Channel (or Channel 1), a media outlet that is indeed “first” in the Russia media sphere. Although often challenged on some fronts by popular shows and presenters on other state run or commercial television outlets, Channel 1 maintains a strong sense of authority and links to the state. In addition, Rossiya TV broadcast on Channel 2 remains popular and is owned completely by the Russian state. It should be noted that both of these dominant channels function as “state”
rather than “public” broadcasters, and there is clear evidence of direct government intervention in management, personnel, show selection, and limitations on content (Hutchings and Rulyova 2009; Oates 2006). There is relatively popular news produced on the prominent commercial channel NTV. In fact, many Russians like all of these news channels and often watch more than one news show per day, as shown in a 2010 survey (see Table 28.1). The figures demonstrate, however, that Channel 1’s Vremya is still the most popular news show in the country, with almost 78 per cent of the country tuning in regularly to watch.

National newspapers are relatively expensive and many people simply cannot afford the luxury of a subscription. The same is true for satellite television, which is generally for well-off people in the urban centres. As a result, the central television stations in Russia retain a particular political influence that they now lack in more developed countries. There has been steady growth in the television sphere, with the number of channels that half of the Russian nation can receive increasing from five in 2004 to nine in 2006 (Kachkaeva et al. 2006). Self censorship is endemic in the journalism industry, with only a few examples of confrontation with the Kremlin line on sensitive subjects such as Chechnya. Employees of all media outlets are well aware of the limits of what can be said on air or in print. This parallels the Soviet experience of journalists, in which the action of a censor was rarely needed, as Soviet reporters understood the party line and the way all stories should be formulated from their first day on the job.

Even if there are certain topics that get little meaningful coverage, there is a lot of news in general. There are more than 400 newspaper titles (more than during the Soviet era), but most of them are quite small and struggle financially (BBC 21 February 2007). In addition, all prominent newspapers toe the Kremlin line. There is some radio news, including the relatively liberal Echo of Moscow radio station, but radio nationwide provides little serious alternative news. It should be noted that internet penetration, which had been relatively low, has exploded in the past few years in Russia. According to World Internet Stats, 42.8 per cent of the Russian population was online by June 2010 (www.internetworldstats.com/eu/uk.htm), with an estimated 59.7 million users out of a population of 139.4 million. The organisation reports an increase in usage of 1,826 per cent since 2000 and that Russian internet users now make up 12.6 per cent of those on line in Europe. With the exception of nations that started from very low penetration in recent years (e.g. Belarus, Macedonia, Albania, and Bosnia–Herzegovina), Russia has the highest growth in internet usage in Europe (which had an average growth in internet penetration of 352 per cent). In fact, again according to World Internet Stats, Russia has the largest number of people online in Europe with the exception of Germany. Saunders (2009) speculates that

Table 28.1 Television news watched in Russia

<table>
<thead>
<tr>
<th>News Show</th>
<th>Broadcaster</th>
<th>Percentage Who Watch Regularly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vremya</td>
<td>First Channel</td>
<td>77.9</td>
</tr>
<tr>
<td>Vesti</td>
<td>RTR</td>
<td>65.6</td>
</tr>
<tr>
<td>Segodnya</td>
<td>NTV</td>
<td>52.6</td>
</tr>
<tr>
<td>Local TV news</td>
<td>Various</td>
<td>18.2</td>
</tr>
<tr>
<td>Other central channels</td>
<td>Various</td>
<td>24.4</td>
</tr>
<tr>
<td>Don’t watch any news</td>
<td></td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source for all tables in Chapter 28: Survey of 2,000 Russians carried out between 12 February and 1 March 2010 by Russian Research Ltd. The data were generously made available by Professors Stephen White (University of Glasgow) and Ian McAllister (Australian National University). The research was funded by a grant from the UK Economic and Social Research Council (RES-000-22-2532/Crafting Authoritarian Politics) in collaboration with the Australian Research Council.
both the proliferation of mobile phones with internet capability as well as the relative enthusiasm of Russian presidents Vladimir Putin and Dmitry Medvedev for the internet are probable drivers of this spectacular growth in use.

Studies about news production and content in the Russian media (Beumers et al. 2009; Koltsova 2006; Mickiewicz 2008; Oates 2006) have been joined by a wealth of recent studies about television and culture in Russia (Beumers et al. 2009; Hutchings and Rulyova 2009). These works include a descriptive overview of the varied offerings of post-Soviet Russian television, from grim series about prisoners in a special camp (The Zone) to the more light-hearted adaptation of The Nanny from the West Side of Manhattan to the upper echelons of Moscow in My Fair Nanny. As Hutchings and Rulyova argue, it is unhelpful to suggest that either news production is controlled in a particular way or that content is consumed in a predictable manner. Hutchings and Rulyova note rather that the Russian television and the Russian audience force a reconsideration of any simplistic formulae about how leaders might manipulate television – or how the audience might be led. Rather, it is a complex, nuanced, and dynamic relationship in which both the way in which messages are formulated and the way in which they are received are in almost constant flux. One “cannot talk meaningfully about Putin’s ‘control’ over television without taking into account the ways in which television generates meaning”. Indeed, there is no unified producer of content “encoding a discrete text to be disseminated to, and decoded by” a readily identified set of viewers (Hutchings and Rulyova 2009, 12). Rather, there are multiple agents in the process of content production; the text itself is hard to define in that it can span anything from an isolated programme to the entire output of a channel and levels of audience engagement vary from using it as background noise while doing the dishes to passionate fans who insist on silence in the room as they absorb every moment of a show.

Despite the variety, the introspection, and critical views on Russian life found in the Russian media, there remain some serious gaps in the provision of information to citizens via their television programmes. In particular, national news programmes avoid discussion of critical topics such as the causes of the war in Chechnya or the new Russian underclass; routinely provide negative coverage of or merely ignore serious contenders that could challenge the control of the country by the Kremlin elite; and provide glowing propaganda about the rulers. As Hutchings and Rulyova (2009, 29) write, “Russian television news in Putin’s second term reached a new nadir in its descent into ideological servitude”. Studies of the news during Russian elections have shown consistently biased and distorted coverage, with pro-Kremlin parties and candidates receiving a disproportionate amount of time and positive coverage (European Institute for the Media 1994, 1996a, b, 2000a, b; Oates 2006; OSCE/ODIHR 2004a, b). This is particularly worrying in that there is convincing evidence that Russians rely on television more than any other source for their political news. In the 2010 survey, almost two thirds of the respondents reported listening to television every day for political news, compared with 18 per cent for radio and just 12.5 per cent for newspapers (which is probably in part due to the relatively high cost of newspapers for poorer Russians).

The choice of medium also underlines the importance of television for Russians: more than three quarters routinely watch television, while only a handful of people report never watching it at all (1.5 per cent). At the same time, local television attracts 56.9 per cent of the population, compared with 23.5 per cent for local newspapers and just 20.2 per cent for national newspapers. The 2010 survey also found that 22.6 per cent of the respondents routinely used the internet, while another 27.9 per cent were occasional users. The rest either had never used the internet (45.7 per cent) or could not answer the question. Some internet scholars have suggested that the online sphere can provide compelling alternative news sources; however, there is little evidence in
Russia that the people consistently turn to the internet for political information in a way that could counterbalance the biased and incomplete political information offered by Russian television, especially news programmes (the internet and the social potential in the explosion of Russian blogging will be discussed below). In contemporary Russia television is still the dominant voice of authority for political messages: In the 2010 survey, 84.5 per cent of the respondents reported that they received information about politics from television either daily (64.5 per cent) or several times a week (20 per cent) (see Table 28.2). This compared with just 38.5 per cent who had received political information from the radio or 35.5 per cent who had received political information from reading newspapers.

### Media models and Russia

The relationship between the media and political sphere is often analysed through comparative models. In particular, scholars use adaptations of work by Siebert et al. (1956) to conceptualise media that view information as a commodity to be marketed freely (the liberal or libertarian model) or a resource that should be shaped by media outlets into information that will consolidate, rather than challenge, societal norms (the social responsibility model). In addition, there are more radical theories about the role of the media in society, particularly the idea suggested by Herman and Chomsky (1988) that the media “manufacture” consent to consolidate the power of political and business elites. This consolidation is achieved through a series of filters, including ownership, influence of advertisers, reliance on government sources, powerful public relations efforts, and anti-communism (this last element was later amended to the pervasive influence of the “War on Terror” frame). There is also controversy about whether media systems that might be termed democratic abandon these principles under pressure from perceived national interest, particularly during times of conflict such as war and terrorist attacks (Oates 2008). However, as Hallin and Mancini (2004) argue, it is critical to balance a model of media/state relations with the history and experience of the media within a particular country. Thus, applying to Russia models of how the media operate in the United States would illuminate some differences between the two countries, but would tell us relatively little about the nature of and change in the relationship between the Russian media, state, and citizens. Thus, this chapter uses a model of news production (Oates 2008) that examines a set of elements, starting with the political environment in a country and moving through media norms, media laws, media ownership, and the journalistic profession as one useful way to understand how news content is shaped within a particular country. Although based in some ways on Herman and Chomsky’s model of manufactured consent in that it uses filters, it is an attempt to isolate elements within a media system that can be analysed and compared across country boundaries. It is not as ambitious as the typologies suggested by Hallin and Mancini, in that it does not attempt to derive a comparative typology from Russia, but rather to allow analysts to view a range of factors in useful isolation.

### Table 28.2 Sources of political information in Russia (percentage)

<table>
<thead>
<tr>
<th>Source</th>
<th>Daily</th>
<th>Several Times Weekly</th>
<th>Once or Twice a Week</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>64.5</td>
<td>20.0</td>
<td>9.4</td>
<td>4.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Newspapers</td>
<td>12.2</td>
<td>23.3</td>
<td>24.2</td>
<td>25.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Radio</td>
<td>18.0</td>
<td>20.5</td>
<td>15.9</td>
<td>19.4</td>
<td>25.2</td>
</tr>
</tbody>
</table>
Political environment

As discussed elsewhere in this volume, Russia still faces significant challenges in the development of robust democratic political institutions. Although citizens have markedly more freedom of speech and association than during the Soviet era, examples of citizens making effective political protests are relatively limited in Russia. Political parties have been largely co-opted through media and elite manipulation to serve as support for those already in power (as opposed to providing a way for popular representatives to reach political office). The Russian state still suffers from problems of a lack of transparency, corruption, and a dearth of rule of law. Parliament remains relatively powerless in face of a constitutional design that favours the power of the president over that of the legislature. Analysts long persisted in calling Russia a “developing democracy”, but there is compelling evidence that the country has not developed meaningful democratic institutions such as effective political parties, a strong legislature, an independent judiciary, or a Fourth Estate in the media. There is the appearance of democratic institutions in form, including a range of media outlets with various types of ownership, elections, parliament, and a popularly elected president, but these institutions lack democratic content. The mass media generally echo a charade of democratic interaction, particularly on the influential state run television channels. Attempts to challenge the government on key issues such as corruption at the top, the progress of the war in Chechnya, bribery, or the unfairness of the leadership are not tolerated. Russia has been labelled by international media freedom organisations as particularly bad in terms of treatment of journalists, for whom there is a real fear of menace, physical threat, and even death. It is not surprising that the media work virtually unanimously to support the policies of the central leaders in a disturbing echo of the Soviet model of the media.

Media norms

It could be argued that the Russian media are more neo Soviet than Western. Can a Cold War understanding still help in the comprehension of state–media relations in Russia? Arguably, there are elements of the Russian media that are difficult to understand without reference to the Soviet past (Oates 2007). In Soviet times, the media served the interests of the ruling elite in the Communist Party as described by the Soviet Model of the press in Siebert et al. (1956). Even through the glasnost period of 1985–91, the Soviet media failed to transform themselves from voices for political players to voices for citizens. Diversity of media did develop, yet the idea of the media as objective or balanced has never been widely adopted by the Russian audience (Oates 2006). All segments of Russian society, from politicians to the public to the journalists themselves, perceive the mass media as a political player rather than as a political watchdog (Pasti 2005; Oates 2007; Voltmer 2000). On the other hand, labelling the Russian media as neo Soviet could obscure more than it illuminates, particularly in that both media content and media context are so radically different. The Soviet Union existed essentially before the spread of the internet or even the proliferation of satellite television channels.

Media ownership

If one can find some parallels between a lack of effective democratic institutions and an acceptance of a media in service to political players, it is ownership that has shifted most dramatically. The Soviet state owned all media outlets. In Russia, commercial media have developed and, in many instances, clearly challenged the monopoly of information from state sources. This was seen most clearly in the first Chechen War (1994–96), in which the commercial television outlet NTV played...
an important role in rallying public support against the war and challenging Russian state war propaganda (Oates 2006). In addition, the Moscow based newspaper Novaya Gazeta (“New Newspaper”) has gained an international reputation for coverage of controversial Russian issues, especially the conduct of the Russian army in Chechnya. Nuanced studies of television have shown that there is considerable variation and latitude even on state run television, with some shows able to provide more in depth or challenging coverage of societal issues. Yet, ironically, this also parallels the Soviet situation in that Soviet audiences knew that they could glean much useful information from certain periodicals or shows. The Russian state tolerates dissent – but only in relatively small media outlets and in somewhat controlled dosages. There is no dissention from the message of the president and the Kremlin elite on the central news programmes on state television – which are by far the most popular and influential news sources. For example, NTV has significantly toned down its oppositional coverage since it went through a forced ownership and editorial change in 2001 (Oates 2006). At the same time, NTV maintains a tone in its news coverage that is often ironic and far less sycophantic of the president and the Kremlin elite than news on state run channels (Hutchings and Rulyova 2009).

While there is still widespread commercial media in Russia, there are legitimate concerns that the state owns all or part of a vast array of highly influential outlets. According to Freedom House, a US based watchdog organisation, the Russian government owns 2 of the 14 national newspapers and more than 60 per cent of the more than 45,000 registered local newspapers and periodicals (see www.freedomhouse.org/template.cfm?page=251&country=7689&year=2009). In addition, the Russian government owns all or part of six national television stations and two national radio stations. The Freedom House report raises concerns because “private companies loyal to the Kremlin and regional authorities purchased influential private newspapers, and most media outlets remained dependent on state subsidies as well as government printing, distribution, and transmission facilities”. Freedom House also reports that “Kremlin allies have purchased several independent online newspapers or created their own pro government news websites, and are reportedly cultivating a network of bloggers who are paid to produce pro Kremlin propaganda”. Thus, the Russian government appears to have become effective at continuing an unusually high level of media control through ownership. However, it also should be noted that there is far more debate and dissent within the Russian government than within the Soviet administration, making state ownership less monolithic or effective at censorship than during Soviet times.

**Journalistic profession**

Studies of journalists in Russia reveal paradoxical findings. On the one hand, many journalists perceive themselves as political players rather than political observers. In most cases, this takes the form of conforming to the political line of the owner of a media outlet, whether that owner is the government, an individual, or a commercial entity. On the other hand, there is an argument that the notion of objectivity and unbiased media is a myth. Media outlets worldwide exhibit bias. In a study of election news in 2003–05 in the United States, the United Kingdom, and Russia, an analysis of election coverage on five major US networks (ABC, CBS, NBC, CNN, and Fox) showed significant deviation on coverage of the candidates (Oates et al. 2010). Although the pro Republican slant and focus on the politics of fear with much greater use of terrorism in the news was most marked on Fox, all of the channels were distinctive in their biases and choice of coverage. Indeed, only Britain showed relatively little difference between major television news coverage of elections, while in Russia a study of the Channel 1 and NTV news showed Channel 1 to be more focused on Putin and more positive about the government in the Russian elections in
2003 and 2004. Thus, the notion that certain media outlets and their employees would follow a political line is not particularly surprising in Russia. However, the degree to which there is no attempt at putting the interests of the public before the interest of the media sponsors is rather extreme in Russia. Indeed, the coding of the news on the same day on two different channels often makes it appear that they are not even reporting on the same country at the same time (Oates 2006). As a result, viewers receive quite biased information across all issues all the time, whereas in the United States the bias appears to be particularly apparent at election time.

While many Russian journalists are pragmatic about a role that narrows their ability to report in a balanced way, there are a handful of Russian journalists who consistently challenge the system. Tragically, this has resulted in a wave of violence against journalists and Russia has been named one of the “most murderous” countries for journalists by the Committee to Protect Journalists (see http://cpj.org/reports/2005/05/murderous05.php, accessed June 25 2010). While there is not complete agreement over the source of the violence—whether journalists are attacked and killed by state, commercial, or private enemies who wish to silence them—the result is the same. Since 1992, 52 journalists have been killed in Russia in the pursuit of their profession (Committee to Protect Journalists; see http://cpj.org/killed/europe/russia/). The most famous case is that of Anna Politkovskaya, a journalist who covered the Chechen war in depth for *Novaya Gazeta*. Politkovskaya, who survived kidnapping by Russian soldiers and a mysterious poisoning on her way to cover the Beslan tragedy, was shot in her apartment building in 2006. Although suspects were charged with her slaying, they were not convicted. The fact that no one has been convicted of this high profile assassination as well as the continual killings of journalists cast a chill over attempts at investigative journalism in Russia. It is a testament to the personal bravery of Russian journalists that some still publish articles that challenge both government and business elites, particularly on the sensitive topics of Russian military conduct in Chechnya and corruption.

**A neo-Soviet model?**

Thus, is the Russian media merely neo Soviet (Oates 2007) or neo authoritarian (Becker 2004)? These ideas suggest that there is more continuity than change from the Soviet system of media management. The Soviet system, in keeping with the authoritarian Soviet state, meant complete control of content in all media outlets. Although there was some variation in control and popularity over time, in general no deviation from the Soviet message was tolerated. A neo Soviet model of media would suggest that although there is an appearance of media diversity, there are several factors that would suggest the media is more a tool for state communication, as it was in Soviet times, than a vehicle for citizen enlightenment. These neo Soviet factors include a rejection of balance or objectivity, flaws in media law, endemic self censorship, government interference and harassment of media outlets, the lack of journalistic professionalism, an atmosphere of violence against journalists, and flaws in media laws (including laws against extremism that can be deployed by the government to silence critics). Much of the interference of the state in the media and violence against journalists have been tracked in annual reports from organisations including Freedom House (see above), Reporters Without Borders (http://en.rsf.org/), and the Committee to Protect Journalists (in particular, see http://cpj.org/killed/europe/russia/). In addition, several reports on the media during elections showed how journalists were constrained by self censorship and hidden advertising in which bribes were paid to write favourable articles about parties or candidates (see European Institute for the Media 1994, 1996a, b, 2000a, b; OSCE/ODIHR 2004a, b. Furthermore, there are continuities in audience reception from the Soviet to the neo Soviet model, which will now be discussed.
The post-Soviet audience

As Hutchings and Rulyova (2009) point out, one of the main reasons that the relationship between news content and the audience cannot be understood easily is the variation in the audience itself. As noted above, there are significant pressures and influences on content in Russia, although studies have shown that there is more variation and voice in television shows that are slightly outside the mainstream or broadcast in the regions. Although the government is consolidating regional broadcasting with more centralised ownership and control (Fossato 2007), it would be a mistake to assume that there is no space for political and cultural messages that challenge that dominant status quo. Some of the most interesting and challenging work is to discuss this with the post Soviet audience themselves. In focus groups in 2000 and 2004, comments from focus group respondents in Moscow, Ulyanovsk, and a rural hamlet near Voronezh showed that Russian viewers could process a large amount of seemingly conflictual content in their viewing. For example, while they were aware that Channel 1 often exaggerated the presidential and government achievements, they still felt watching *Vremya* was important to keep abreast of the country’s zeitgeist. If it was slightly inaccurate or biased, this often was attributed to national aspirations and pride rather than manipulation and censorship. As a result, the Russian focus group participants did not automatically reject this type of biased news as inferior or irrelevant; rather, many of the respondents felt that it resonated with their own view of the need for television to lead society rather than cause disruption or discontent. Many were deeply unhappy with how television tended to glorify capitalism or wealth and there was a great deal of nostalgia, especially among the older viewers, about the national pride that television inculcated and beamed into Soviet homes. Interestingly, work by Mickiewicz (2008) found that even young Russians who were either not alive or very young in Soviet times also voiced a sense of nostalgia for the Soviet past. In focus groups conducted between 2004 and 2006, Hutchings and Rulyova found that this nostalgia may have been inculcated by older family members, as Russian families report that they often watch television together. However, their focus group research also found there was huge variation in time, choice, and attention to television programming amongst Russians. Thus, some would watch while cleaning the house, while others viewed favourite programmes with great attention. It is difficult to gauge the relative influence of distant or close attention to television. However, focus groups show that Russians remain passionate about television and consider it the central information source in their lives.

All of this begs the question, however, whether the Russian audience can be aware of informational gaps and shortcomings. Although in focus groups Russian viewers routinely defend the idea that they can glean relevant information from news programmes that they know to be biased, there is worrying evidence that a sceptical audience is not as good as an informed audience. In a survey of 2,000 Russians held just before the forced takeover of NTV in 2001, just over a third of the respondents selected state run Channel 1 as their favourite channel and 26 per cent picked commercial NTV. Part of this pattern was dictated by availability, as NTV did not reach roughly a quarter of the population, primarily in rural areas, at that time. However, it is quite significant that in areas in which survey respondents said NTV was available in their area in April 2001, the commercial network ran head to head with Channel 1 in terms of popularity: NTV and Channel 1 each were favoured by about a third of the population in these areas. This shows that NTV was just as popular as the main government channel when it was available to the viewers. That finding suggests just how much the Russian viewers have lost with the takeover of NTV by state interests and the lack of a strong challenger to state dominated broadcast messages. It is also interesting to note that in a regression analysis with the same data, the most powerful indicator of a vote for Putin in 2000 was a preference for state run Channel 1. While it must be acknowledged that it is
impossible to gauge the direction of this relationship – i.e. people who were predisposed to Putin in the first place would have been more likely to watch the more sycophantic Channel 1 – it nevertheless highlights how people can become enmeshed in what Jenny Pickerill (2010) has called “information cocoons”. Thus, while there is a reasonable amount of variation in Russian media content, many viewers are left relatively uninformed, unchallenged, and unenlightened by a powerful combination of biased content, complacent journalists, and dwindling choice.

The Russian online sphere

How can one claim that choice is dwindling in the internet age? If more than 40 per cent of the Russian population is online, surely they have access to a broad range of sources that could challenge any monopoly on information? The 2010 survey cited above that included questions about internet use in Russia challenges the assumption that the internet can effectively counter the traditional domestic media (although more study about internet audience and effect is needed). As with the discussion of the television audience above, the level of engagement with the medium varies enormously and the internet offers a greater range of possible engagement than other media.

The survey shows that a higher percentage of Russians have been online (52.5 per cent) than those estimated by World Internet Stats. There is, of course, a significant difference in having merely tried the internet and having regular access. In the 2010 survey, only 22.6 per cent of the respondents reported that they were “routinely” online, 16 per cent “sometimes” online, and three per cent “seldom” online. The survey questions are somewhat imprecise and respondents were not asked about the type of device used for access. Internet access through mobile devices, most typically phones, is starting to drive newer and more dynamic types of internet use in countries such as Russia.

Despite the lack of detail in the question, it provides an important benchmark for internet haves and have nots in Russia. This allows for a reflection on the concept of the “digital divide”, a concept elucidated in research by Norris (2001) that suggests that the internet tends to widen the gap between well informed, empowered citizens and those who are relatively excluded from the political process. Norris measured this concept both between countries and between regions of the world, in particular by highlighting the lack of internet access in Africa. She also found “digital divides” within countries, particularly between well educated, affluent citizens and those with little education and income. There was a striking difference between the relatively high internet usage among the young and very little usage among the older cohorts in society. While internet usage overall has risen significantly and the cost of connection has plummeted, significant divides shaped by geography, age, income, and education persist ten years later.

Indeed, the 2010 survey data alone suggest that Russia has a very marked digital divide. One of the most significant social divides is between Moscow and the rest of the country. Unsurprisingly, internet use in Russia parallels this divide, as only 24.8 per cent of those permanent offline (the non users) are in Moscow. Just over half (50.3 percent) of Muscovites “routinely” use the internet, making their use close to the average of Europe in general (according to the figure cited from World Internet Stats above). However, residence in Moscow is far less significant when other factors are taken into account when examining internet use. In a regression analysis to measure the effect of socio economic factors highlighted by the research by Norris, age remains by far the strongest indicator of internet use in Russia (see Table 28.3). Education and income are also strong predictors, while residence in Moscow is significant but a far weaker predictor of internet use. All things being equal, Russian youths are finding their way onto the internet across the country. This
Table 28.3 Which factors best explain Russian internet use? (dependent variable: internet use from none to regular on a 4 point scale)

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>t</th>
<th>Significance</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>Standard Error</td>
<td>Beta</td>
<td>B</td>
</tr>
<tr>
<td>Constant</td>
<td>1.470</td>
<td>0.176</td>
<td>8.331</td>
<td>0.000</td>
</tr>
<tr>
<td>Older age</td>
<td>-0.034</td>
<td>0.003</td>
<td>-0.357</td>
<td>-12.957</td>
</tr>
<tr>
<td>Muscovite</td>
<td>0.331</td>
<td>0.153</td>
<td>0.067</td>
<td>2.166</td>
</tr>
<tr>
<td>More education</td>
<td>0.156</td>
<td>0.021</td>
<td>0.207</td>
<td>7.378</td>
</tr>
<tr>
<td>Higher income</td>
<td>0.121</td>
<td>0.024</td>
<td>0.161</td>
<td>4.989</td>
</tr>
<tr>
<td>Male</td>
<td>-0.053</td>
<td>0.070</td>
<td>-0.022</td>
<td>-0.763</td>
</tr>
</tbody>
</table>

could have significant implications for the future of political communication in Russia, particularly as the internet offers more interactive and flexible communication tools. While the Russian government does not enforce the type of multi level controls as found on the Chinese internet, there is evidence of challenges to cyber freedom in Russia (Freedom House, see www.freedomhouse.org/template.cfm?page=251&country=7689&year=2009). The Freedom House report on Russia points to “widespread” monitoring of email and web posts by the Federal Security Bureau as well as harassment of some news websites and bloggers. One blogger, Savva Terentyev, was convicted of extremism for criticising corruption of the local police in Komi on the LiveJournal blogging site. In addition, Freedom House reports that “Kremlin allies have purchased several independent online newspapers or created their own pro government news websites, and are reportedly cultivating a network of bloggers who are paid to produce pro Kremlin propaganda”.

There has been much academic work that suggests the internet could significantly redress the power balance between elites and masses by subverting the influence of the traditional media. As noted above, the traditional media have failed to provide a strong voice for democratic values or change in Russia for a number of reasons. Initial studies of the Russian internet suggest that the challenges to democratic communication found in the traditional Russian media tend to replicate themselves online (Fossato et al. 2008). In a detailed study of three Russian political bloggers during the 2007 Russian Duma elections, Fossato et al. found the online content was either ignored or, more worryingly, a blogger could be co-opted relatively easily by the authorities to tone down or change protests. In addition, online activity is generally not related to politics in any country. As Hindman (2009) points out, political sites are dwarfed by pornography and adult entertainment online.

What Russia does possess is a lively, Russocentric online sphere that has been the subject of several insightful and interesting studies, much of it collected by the Digital Icons project (www.digitalicons.org). In one of the most illuminating studies of the Russian online sphere, Markku Lonkila (2008) examined how the internet supported anti military activity in the country. He found that while there was some political discourse, much of the activity related to the practical issue of finding ways to avoid service through medical certification. As a result, the online sphere contributed to personal informational needs, but did little to spur political discussion. However, the potential remains, particularly as Russians are enthusiastic bloggers and have developed a strong national online sphere with a dominant Russian search engine (yandex.ru) as opposed to dependence on a Western search engine company such as Google.
Conclusion

The media in Russia tend to reflect a political system that echoes the agenda of the elite rather than the will of the public. This raises the question of the role of media in society in general, in that media around the world are often more in service to political powers than challengers to the political status quo. Are the Russian media more similar to the Western model or merely a flashier version of a Soviet media that served propaganda, rather than informational, needs? While there are distinctive elements of the Russian media that are difficult to understand without reference to the Soviet past – most notably in some of the audience attitude toward their media – there are also factors that are distinctive to a post Soviet environment. While there are some freer elements of the media system, such as the opposition newspaper Novaya Gazeta and explosion of opinions online, the effect of these sources appears to be relatively small. Rather, the Russian media work effectively for the power of the state rather than in the interest of citizens. There is potential for change, particularly in that the internet is popular among the youngest generation in Russia and offers much unmediated discussion as well as access to a huge range of information. However, it would appear that television continues to dominate the public sphere and support the idea of nation over individual.

Notes

1 Pervyi Kanal (literally the ‘First Channel’ in Russian): this prime state channel has undergone several changes in ownership arrangement and name since the late-Soviet period. It was first on the dial for analogue sets in the Soviet Union and remains the most dominant channel overall in most measurements (particularly in terms of authority and trust).

2 A state broadcaster is funded directly via state funds; a public broadcaster is generally funded by the public with far less scope for state interference in operations. For example, the British Broadcasting Corporation (BBC) runs popular television channels, but the existence of a board of management independent from the state and funds raised via a direct tax on TV owners makes it far more difficult for ruling governments to intervene in its operation. However, as the ruling government appoints board members and controls the level of the licensing-fee tax, there is indirect and constant pressure even on “public” broadcasters. However, the safeguards from government intervention at the BBC are quite significant when compared with a state-run broadcaster such as the Channel 1.

3 As part of its remit, the BBC monitors media outlets from around the world. This report is available online at http://news.bbc.co.uk/1/hi/world/europe/4315129.stm.

4 The meanings of “routinely”, “sometimes”, and “seldom” were not defined by the interviewer. This means the answers are rather imprecise and not as useful as surveys that ask people to report, for example, on the number of hours on line per week, the location of the connection (home, work, internet café, etc.), the type of activities engaged in online (email, browsing, shopping, blogging, etc.), or the speed of connection. However, media use was not the primary focus of the survey.

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Public opinion and voting behaviour

Stephen White

Just as the Soviet Union – or so its citizens told Western television – “had no sex”, it also had no “public opinion”. Social consciousness, in the official view, was a reflection of forms of property; in a socialist society, based on public ownership, it was characterised by the “dominance of Marxist–Leninist ideology in every aspect of the spiritual life of citizens”. The main social groups formed a “moral–political unity”; nationalism had been superseded by “socialist patriotism”; the woman question had been “resolved”. All had the right to express their views; but there were no differences of opinion, and certainly no fundamental differences of interest, that could not be reconciled through the leadership of a broadly based Communist Party.

Public opinion

Not even the Soviet system, in fact, could operate in an informational vacuum. Local organisations of the Communist Party had been conducting their own inquiries, in some cases since the mid 1960s, and there were repeated calls for a centre or institute that could conduct investigations of this kind on a more systematic basis. In 1986, in his first address to a party congress, Gorbachev pointed out that no laws had yet been drafted to provide for the nationwide discussions that were mentioned in the constitution, and went on to urge that better use be made of all the means that were available for “eliciting public opinion and quickly and sensitively responding to the people’s needs and attitudes”. Perestroika, he insisted, could only succeed if ordinary people were persuaded to identify with it; equally, public policy would only be soundly based if it took account of the realities of daily life, and not just abstract principles.

The Communist Party had committed itself to a national public opinion centre as early as 1983, when a plenary meeting of the Central Committee agreed that a “feedback mechanism” was needed of a kind that would allow the party to take account of changes in the public mood. It was time, officials insisted, to move from individual, ad hoc inquiries to a broader framework, perhaps even the “organisation of a centre for the study of public opinion”. The resolution that was adopted went still further, providing for the establishment of an “All Union Centre for the Study of Public Opinion” that would be located within the Institute of Sociology of the Academy of Sciences. Speaking to the 19th Party Conference in 1988, Gorbachev pointed to the need, under single party conditions, for a “constantly operating mechanism for the comparing of opinions, of criticism and self criticism in the party and in society”, and he reminded delegates
of the damage that had been done in environmental and other matters when proposals had gone ahead without the “broadest possible consultation”. No one, as the Conference made clear in its resolutions, could have a “monopoly on truth”.

A national public opinion centre had already been established at the end of the previous year, under the direction of sociologist Tatyana Zaslavskaya. The Centre, in the first instance, was concerned with the study of public attitudes on “social and economic issues”, and it was sponsored by the All Union Council of Trade Unions as well as the State Committee on Labour and Social Questions. The purpose of its work, Zaslavskaya explained in an interview in March 1988, was to “provide the most accurate possible advice to the organisations that are responsible for making decisions”. The decisions themselves might often be well founded. But were they transmitted in their original form to those who would have to carry them out? And what did the broader public think of them? The Centre’s first survey, on the election of managers by the workforce, was published shortly afterwards, and its bulletin, “Public Opinion in Figures”, began to appear in 1989. The Centre – better known by its Russian initials VTsIOM – soon built up a Moscow staff of about a hundred, with regional offices elsewhere in Russia and the other republics, and by the late 1990s it was interviewing nearly a quarter of a million of its fellow citizens on a regular basis. Its findings were not always welcome in the Kremlin, which in effect took it over in 2003, but the original staff were able to continue their work as the Levada Centre, taking the name of the inspirational figure who had directed its work from 1992 up to his death – at his desk in the Centre itself – in 2006.

VTsIOM was soon followed by other services. They included Vox Populi, established in 1989 by Boris Grushin, who had been the All Union Centre’s first deputy director; it was best known for its ‘political Olympus’, a league table of the 100 most influential politicians based on the judgements of well placed commentators, and normally published in the newspaper Nezavisimaya gazeta. Its work was continued in later years by another body, the Agency for Political and Economic Communications, with results that appeared in the same paper. It was Vladimir Putin who generally led the ratings throughout the early years of the new century, even after he had stepped down from the presidency, followed by Dmitry Medvedev. As well as leading state officials, the list of the country’s 20 most influential politicians included the Patriarch of the Orthodox Church and several leading businessmen. The Public Opinion Foundation also emerged from within VTsIOM, in 1992; it remained close to the Kremlin but also carried out commissions for government ministries and the larger corporations, and issued a regular bulletin as well as occasional collections of its findings on particular subjects (such as Russian attitudes towards the United States before and after 9/11).

Surveys were the best way of establishing the distribution of opinion across a heterogeneous and changing society; but, in part because society was changing so rapidly and because there was still some reluctance to express views on public issues (or even, with the increase in crime, to open the front door), they were often ambiguous and – at least initially – a poor guide to future behaviour (“Why”, asked the daily newspaper Segodnya after the December 1995 election results were announced, “does Russia never vote the way it’s supposed to?”). Telephone surveys were particularly problematic because less than half the population had access to a receiver, and the only census that was available in the early post-communist years, conducted in 1989, was increasingly irrelevant as hundreds of thousands became refugees or changed their address for other reasons (a new census was conducted in 2002, but its adequacy was vigorously contested; another was planned for October 2010). As elsewhere, it was only surveys that could provide a representative impression of the public mood, but they were best interpreted within a context that took proper account of the ways in which ordinary citizens were inclined to conceive of their own problems, on the basis of their own experience. And this, in turn, could be gathered from letters to the
newspapers, from the wider world of cultural expression and behaviour itself as well as from methodologies that were more familiar in a Western context.

What, as far as surveys could establish them, were the main concerns of ordinary Russians after two decades of post communist change? For the most part, they had little to do with political philosophy, constitutional design or Russia’s place in a very different world, or even the crisis in culture and public morality: most Russians were more concerned about how they were to earn a living in an unfamiliar and more difficult economic environment (see Table 29.1).

In the late 1990s it was delays in the payment of wages and salaries that came first in the list of public concerns. The conflict in Chechnya was another concern, but it became increasingly marginal over the course of the Putin presidency as federal authority was gradually restored and the loss of life abated; and steadily diminishing numbers thought they would be the victim of a terrorist act of some kind. There were even fewer worries about crime, or divisions in the national leadership, or unemployment – at least until the international financial crisis at the end of 2008 moved it sharply up the national agenda. The other preoccupations were more enduring, and they were dominant in the early years of the new century: above all the rapid increases that were taking place in the cost of living, and in the poverty and social inequality with which they were associated.

What about the economic changes to which Russians had been committed by their government even before the end of communist rule? To begin with, the popular view was broadly supportive of “market reform”; but as its consequences became apparent, including unemployment and higher prices, ordinary Russians became increasingly disillusioned (see Figure 29.1). By the early years of the new century there were more who thought the “economic reforms” should be continued than who thought they should be abandoned; but they were never a majority (in 2008, 38 per cent), and the largest group of all was undecided (40 per cent, in the same year).

Table 29.1 The main concerns of ordinary Russians in the 2000s

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<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
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<tr>
<td>Rising prices</td>
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<td>66</td>
<td>70</td>
<td>71</td>
<td>75</td>
<td>71</td>
<td>70</td>
<td>64</td>
<td>82</td>
<td>75</td>
</tr>
<tr>
<td>Increasing unemployment</td>
<td>51</td>
<td>34</td>
<td>34</td>
<td>40</td>
<td>35</td>
<td>39</td>
<td>34</td>
<td>30</td>
<td>25</td>
<td>57</td>
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<tr>
<td>Economic crisis, fall in industrial and agricultural output</td>
<td>39</td>
<td>30</td>
<td>31</td>
<td>32</td>
<td>37</td>
<td>33</td>
<td>29</td>
<td>28</td>
<td>29</td>
<td>48</td>
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<tr>
<td>Poverty, impoverishment of the majority of the population</td>
<td>59</td>
<td>61</td>
<td>61</td>
<td>58</td>
<td>53</td>
<td>51</td>
<td>52</td>
<td>45</td>
<td>42</td>
<td></td>
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<tr>
<td>Divisions between rich and poor, unequal incomes</td>
<td>38</td>
<td>26</td>
<td>28</td>
<td>31</td>
<td>29</td>
<td>27</td>
<td>30</td>
<td>32</td>
<td>35</td>
<td>28</td>
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<tr>
<td>Inability to access many forms of medical care</td>
<td>25</td>
<td>30</td>
<td>30</td>
<td>31</td>
<td>29</td>
<td>31</td>
<td>32</td>
<td>31</td>
<td>26</td>
<td></td>
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<tr>
<td>Crisis in morality and culture</td>
<td>26</td>
<td>24</td>
<td>26</td>
<td>24</td>
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<td>22</td>
<td>26</td>
<td>28</td>
<td>26</td>
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<td>Corruption, bribery</td>
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<tr>
<td>Increasing cost and inaccessibility of education</td>
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<td>25</td>
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<td>28</td>
<td>26</td>
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<td>Drug addiction</td>
<td>37</td>
<td>32</td>
<td>27</td>
<td>26</td>
<td>29</td>
<td>29</td>
<td>25</td>
<td>29</td>
<td>19</td>
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<tr>
<td>Increasing crime</td>
<td>53</td>
<td>41</td>
<td>43</td>
<td>39</td>
<td>27</td>
<td>29</td>
<td>29</td>
<td>28</td>
<td>27</td>
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<tr>
<td>Deterioration of the environment</td>
<td>22</td>
<td>19</td>
<td>17</td>
<td>20</td>
<td>19</td>
<td>17</td>
<td>24</td>
<td>22</td>
<td>23</td>
<td>14</td>
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<td>Military actions in Chechnya</td>
<td>48</td>
<td>22</td>
<td>17</td>
<td>11</td>
<td>12</td>
<td>7</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>3</td>
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</tbody>
</table>

Source: Levada Centre: up to six responses were permitted; figures show all concerns that were cited by 20 per cent or more in any year.
There was certainly no aversion to state control, which had been a prominent part of the lives of ordinary Russians since pre-revolutionary and not just Soviet, times. What, for instance, should be owned and managed by the state, and what should be in the hands of private firms and individuals? An overwhelming majority, by the end of Putin’s second presidential term, thought energy, heavy industry, transport, education and health should be run by government exclusively. There was otherwise a preference for joint ownership, for instance in telecommunications, banking, agriculture and the media; but in no single instance was there more than marginal support for wholly private ownership, and even in the case of newspapers there were many more who thought they should be run by government itself rather than by private owners. The Russian ideal, it seemed, was very close to the New Economic Policy that had existed in the Soviet 1920s, in which the state had taken control of strategic resources but allowed a regulated private sector to operate in the sectors that were most closely connected with the daily needs of ordinary citizens.

As for the changes that had actually taken place over the post-communist years, opinion was divided about their effects: 36 per cent thought they had gained, 37 per cent thought they had lost, and the remainder found it hard to say. But more than half (55 per cent) thought the country was “going in the right direction” by the end of the Putin presidency, nearly twice as many as the 29 per cent who took the opposite view (this was a considerable change on the Yeltsin years). Russians, not surprisingly, were increasingly positive about the political system that appeared to have brought about this steady improvement in their daily lives. During the early post-communist years it was generally the “Soviet system” that had the most support, but the “current system” became increasingly popular as the Putin presidency advanced, and latterly it was the most popular option of all; support for a “Western system”, never substantial, dropped even further (see

Figure 29.1  State or market?
Note: For the question “Which economic system do you think is the best?”, respondents were allowed to choose “One based on state planning and redistribution” or “One based on private property and market relations”.
Source: Adapted from Levada Centre figures as reported in Vestnik obshchestvennogo mneniya no. 5 (2008), 5.
Confidence in the national leadership dropped slightly in 2009 as the international financial crisis began to bite, but it remained remarkably high: in the summer of 2010 an overwhelming 77 per cent "approved of the activity" of Medvedev as Russian President, and 80 per cent of those of Putin as prime minister.

Parties, voters and elections

There is little evidence that Russia’s parties, or any of its other civic institutions, have so far been able to engage a comparable loyalty. In part, this simply reflects the fact that there has been a high level of turnover in the parties themselves. In all, more than 80 parties or blocs took part in at least one of the Duma elections between 1993 and 2007, but only three (the Communists, Liberal Democrats and Yabloko) contested all five, only two (the Communists and Liberal Democrats) won list seats in all of them and only the Communist Party won single member as well as list seats in all of them. To put this another way, all the parties or movements that contested the 1993 party list election, taken together, won no more than 24 per cent of the list vote in 2007 (only 5 of the original 13 appeared on the ballot paper). It was all but impossible to construct formal measures of volatility in such circumstances; nor was it clear that the concept had a great deal of meaning, as it assumed a shift in the demand for parties on the part of voters when what had been taking place was a change in the supply of parties made available by the regime itself that had obvious consequences for the ability of voters to express whatever preferences they might otherwise have had.

Not only were they in constant flux, but Russia’s parties had also to operate in a context of public suspicion or even hostility. One of the most direct measures of the way in which political...
parties were perceived was the regular question about trust in civic institutions that has been asked by the national opinion research centre since the early 1990s (see Table 29.2). Initially, the church and armed forces enjoyed the highest levels of public confidence, although neither could count on the support of a majority of society and what support they had earlier enjoyed was tending to fluctuate. The presidency, after a bad patch in the later Yeltsin years, exceeded them both in the early years of the new century and continued to do so under Putin’s successor Dmitry Medvedev. Local and regional government was normally more widely respected than central government, and the media more than the agencies of law enforcement, which were more often associated with corruption and maltreatment than with the administration of justice. Levels of trust in civic institutions had admittedly been falling all over the world, not just in Russia. But Russian levels were exceptionally low, and political parties, in turn, were consistently at the bottom of this list of exceptionally low ratings, below the parliament in which they were represented and below all the institutions of executive authority.

Membership was another way in which ordinary Russians could relate to their political parties. But although the totals had been increasing, they were difficult to take at face value and rather low in comparative terms. According to the survey evidence, just under 2 per cent of Russians were members of a political party in 2010; this was slightly more than those who were engaged in charity work (just over 1 per cent) but less than the numbers that were engaged in a residential association or a literary society, and well below the proportion who were members of a sports club (8 per cent) or a trade union (9 per cent). On top of this, there were considerable variations over time in their individual membership. The Communist Party, in the early years of the new century, was usually considered the country’s largest, with about half a million members, but by the time its records had been scrutinised at the start of 2006 it was down to 184,000. The Kremlin sponsored governing party, United Russia, claimed a membership of about 300,000 at the start of 2003, but by the end of 2008 it had reached more than two million and party leaders were beginning to contemplate a deliberate reduction so as to ensure it was more ideologically coherent.

If the electoral show was closely regulated by the Kremlin and regarded with some scepticism by the wider public, there were all the same regularities in the ways in which voters engaged with the choices that were available to them. Broadly speaking, electoral preferences could be organised

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<td>28</td>
<td>20</td>
<td>37</td>
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<tr>
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<td>21</td>
<td>23</td>
<td>20</td>
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<td>15</td>
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<td>Political parties</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Levada Centre: figures show rounded percentages who “completely trusted” a given institution.
under four headings, corresponding to “party families” rather than a much more fluid list of individual organisations. First of all, there were “communist” parties, including not just the Communist Party of the Russian Federation but also the Agrarian Party (which reflected the interests of collective farm rather than private agriculture, at least until it merged with United Russia at the end of 2008) and the left wing Party of Peace and Unity. A rather different grouping could be classified as “national patriotic”, based around Zhirinovsky’s Liberal Democratic Party of Russia (LDPR) but also including a variety of smaller and mostly short lived electoral formations such as For a Holy Russia, the Popular Republican Party, Patriots of Russia and Rodina (Motherland). From 1999 onwards, broadly pro Kremlin centrist were the largest grouping: they included United Russia, the Greens, the People’s Party, the Democratic Party, the Russian Party of Pensioners, the Party of Social Justice, the Party of Russian Renewal and the Russian Party of Life (which later became the main constituent of Just Russia). The “liberal democratic” parties, finally, included at various times the Union of Rightist Forces, Yabloko, Civic Force, the Russian Constitutional Democratic Party, SLON (the Union of People for Education and Science) and New Course–Automobile Russia.

Based on this fourfold division, Table 29.3 sets out the distribution of the party list vote at successive parliamentary elections from 1993 to 2007. Several trends are immediately apparent. “Communist” support, for instance, rose initially, then declined, but remained substantial. “Liberal democratic” support fell much more sharply and consistently, and had almost disappeared by the time of the 2007 Duma election. “National patriotic” support was the most variable, reflecting not only the fluctuating fortunes of the LDPR itself but also the occasional appearance of left patriotic groupings such as Rodina, which took an unexpected 9 per cent of the party list ballot in 2003 and then collapsed into Just Russia, which could be regarded as “centrist”. The clearest trend of all was indeed the steady rise in support for “centrist” parties of all kinds, based around Unity or (after 2001) United Russia, and accounting for almost three quarters of the entire vote in 2007. The same patterns were apparent in successive presidential elections, with the “centrist” candidate Medvedev taking nearly 71 per cent of the ballot in March 2008; this left just 18 per cent for the “communist” Zyuganov and 9 per cent for the “national patriotic” Zhirinovsky, with no candidate at all who could be classified as a “liberal democrat” (these totals, up to and including the 2003 Duma election, did not take account of the single member constituencies, in which “Independents” were more successful than any of the political parties or – in that year – any of the other parties except United Russia).

Compared with other countries, electoral behaviour in post communist Russia appeared to be relatively weakly structured by social or economic circumstances as compared with political values. In the December 2007 Duma election, for instance, United Russia clearly enjoyed some advantage among women, as did the liberal democratic parties (Table 29.4). The most remarkable

<table>
<thead>
<tr>
<th>Year</th>
<th>Communist</th>
<th>National patriotic</th>
<th>Centrist</th>
<th>Liberal democratic</th>
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</thead>
<tbody>
<tr>
<td>1993</td>
<td>21</td>
<td>24</td>
<td>26</td>
<td>29</td>
</tr>
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<td>33</td>
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<td>1999</td>
<td>28</td>
<td>7</td>
<td>44</td>
<td>15</td>
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<td>2003</td>
<td>17</td>
<td>22</td>
<td>46</td>
<td>10</td>
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<tr>
<td>2007</td>
<td>14</td>
<td>9</td>
<td>72</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Central Electoral Commission, using party-list vote totals and the classification adopted in its regular handbook, in rounded percentages.
gender disparity, however, was the overwhelmingly male nature of the LDPR electorate, a disparity that was also reflected in evaluations of the party leaders as individuals. It was for reasons of this kind that the LDPR had rarely been successful in the single member constituencies, where the outcome was determined by simple majority; the party was not surprisingly one of the most determined advocates of party list rather than constituency based representation, and pressed for its wider adoption. Communists had by far the oldest electorate, on the same evidence, with relatively few in their early adult years and more than half of pensionable age. In this sense the Communist electorate was indeed dying out, but it was still a substantial constituency, with more than 30 million of the population (or about a third of the entire electorate) over working age, and it was a constituency whose individual members were more likely than others to exercise their democratic rights. The Communists were evidently much more successful in mobilising this substantial segment of the electorate than Just Russia, even though Just Russia had incorporated the well established Pensioners’ Party and appealed directly for the support of those who had voted for them in previous contests.

All of the parties, except the LDPR, had more highly educated supporters than society as a whole, particularly Yabloko, which was traditionally the favoured party of professionals and the mainstream party that appealed most directly for the support of those who favoured liberal causes such as education, the environment and civilian control of the armed forces. Communist and United Russia supporters were rather more representative of the wider society in this respect; indeed what was most striking about United Russia supporters was the extent to which they represented a cross section, usually no more than a few percentage points above or below the sample as a whole. This was very similar to the way in which Putin’s own support drew almost without differentiation on all social categories and reflected the way in which both the President and his party had sought to develop a programme that was more or less the same as a national development plan, appealing in a plebiscitary way for the backing of the whole of society for what it regarded as their collective best interests. United Russia supporters were also representative of wider society in terms of their self perceived living standards, although slightly more prosperous than the average; Communist supporters were much more likely to regard themselves as “poor” or “very poor” (so were the much smaller numbers of Yabloko supporters, who were often employed in the state sector), and Union of Rightist Forces supporters were – predictably – the most likely to regard themselves as “rich” or “very rich”.

At least two explanations could be offered for the relatively weak attachment of ordinary Russians to the political parties that sought to represent their views: “cultural” and “structural”.

Table 29.4 Patterns of electoral support, 2007 Duma election

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Residence</th>
<th>Education</th>
<th>Living standards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Fem.</td>
<td>&lt;30</td>
<td>60+</td>
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<tr>
<td>Communist Party</td>
<td>47</td>
<td>53</td>
<td>8</td>
<td>51</td>
</tr>
<tr>
<td>Just Russia</td>
<td>45</td>
<td>55</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>LDPR</td>
<td>73</td>
<td>27</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Union of Rightist Forces</td>
<td>38</td>
<td>62</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>United Russia</td>
<td>40</td>
<td>60</td>
<td>25</td>
<td>19</td>
</tr>
<tr>
<td>Yabloko</td>
<td>24</td>
<td>76</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>All</td>
<td>46</td>
<td>54</td>
<td>24</td>
<td>21</td>
</tr>
</tbody>
</table>

Notes: In terms of education, 2nd = up to and including a complete secondary education; 3rd = a completed third-level education or higher. Living standards are as self-assessed, “poor” or “very poor” and “rich” or “very rich” combined. Remaining categories, where relevant, account for residuals.
Source: Author’s 2008 survey, in rounded percentages.
One part of the explanation, certainly, was the long experience of Soviet rule, and of a single monopolistic party that had discredited the word itself. As a teacher from Vitebsk wrote to Izvestiya shortly after the change of regime, “Wouldn’t it be better without parties altogether?” What was a party but “always and everywhere a struggle for posts and positions”, fed by a lust for power that was “more powerful than any narcotic”? Even in 2008, according to the survey evidence, only a quarter (26 per cent) supported the party system that actually existed; rather more thought there should be fewer parties (33 per cent) or only one (19 per cent), and some (9 per cent) thought there should be none at all. Behind this lay a lengthy history in which a single party had, on its own admission, monopolised political power and then abused it; behind this again was a pattern of political development that had not allowed parties to exist legally until the early years of the twentieth century, and then only under a variety of restrictions. Other countries, of course, had experienced authoritarian rule; but even in comparison with them, let alone the established democracies, levels of party membership, and of associations of all kind, were particularly low in the former Soviet republics. This suggested that there were particular factors that were relevant in the former Soviet republics, but not elsewhere.

At the same time, ordinary Russians were reacting to the political parties that actually existed. Not only surveys but also more qualitative studies found that they were often perceived as remote, bureaucratic, and corrupt. Focus groups conducted for the author and associates after the 2003–04 elections and again in 2008–10 in a variety of locations found a wide range of attitudes, but an underlying disenchantment. Even United Russia was scarcely seen as a party at all, but as an opportunity to vote for a popular president or (as he later became) prime minister. In Tula, for instance, “almost everybody voted for United Russia precisely because it was the President’s party. Russians love their President and don’t want to go against him”. It was the “presidential party”, others explained, and so it was “bound to win”. Nelya, a local student, explained that “I like Putin myself, in principle, so I voted for United Russia, not because it reflects my interests, but simply because of Putin”. Elvira, a housewife in her early twenties in the town of Odintsovo in the Moscow region, had voted for United Russia just “because my husband told me to – it was all the same to me”. Nikolai in Ryazan, a 40 year old industrial worker, openly admitted that he had little idea what the party stood for – he simply “voted that way, because Putin asked us to”. These remarks were corroborated by the survey evidence, which showed that United Russia voters were a remarkably representative cross section of the entire population, and that there was little about their views that was particularly distinctive.

Supporters of the Communist Party of the Russian Federation, according to the survey evidence, stood somewhat apart: they reached their voting decisions earlier, maintained their loyalties more consistently from election to election, and claimed to be influenced by the party programme as much as by its leadership. There was some evidence of this, certainly, in focus group responses. Lyudmila Ivanovna, for instance, a pensioner with a higher education in Odintsovo, was a straightforward Communist supporter – “there are honest people there, they want a fair society. They’re against robbery, and for equality.” Pavel, in the Komi capital Syktyvkar, was another Communist supporter, and thought his was the only one that could really be called a party: “the other ones aren’t parties, just supporters’ clubs”. But others were disappointed in the Communists as well, and particularly by the decision to include some representatives of big business in their list of candidates (two Yukos representatives had taken a prominent place on the party’s central list in the 2003 election). Mikhail, a Syktyvkar pensioner in his sixties, had been a member of the CPSU, but had no time for its post communist successor: “Zyuganov should have been replaced ages ago. And now we hear that at the Duma elections, the Communists included oligarchs in their party list – what can you make of that? I’d say that such a party no longer has the right to call itself communist.” Gennady, in Ryazan, took the same view;
he would normally have voted Communist, but just couldn’t bring himself to do so with so many oligarchs and their nominees on the party list.

But as well as “cultural” factors, there were features of Russia’s institutional design that undermined the position of political parties. One was certainly the constitutional framework. Government was accountable not to parliament (in normal circumstances), but to the president, which meant that Russian parties were unable to win power at a parliamentary election, and were in no position to compel the formation of a government that reflected the composition of a new Duma or the preferences of the electorate. When Prime Minister Chernomyrdin’s party, Our Home is Russia, won just over 10 per cent of the party list vote in the 1995 parliamentary election, he did not resign and made it clear that the election result would make not the slightest difference to the composition of the government or the policies it would be pursuing. When Boris Yeltsin dismissed the entire government four times in 1998–99, equally, it had nothing to do with a change in the party balance in the Duma, still less a national election; and when Vladimir Putin dismissed his two prime ministers, in February 2004 and September 2007, it was before a parliamentary election not after it. Under the terms of the law on state service that applied until 2003, indeed, ministers were not allowed to have a party affiliation, and under the law on the government until it was amended in 2004 they were not allowed to hold a paid position in a public organisation of any kind. This reflected the Soviet view that the business of government was to implement the directives of the Kremlin leadership, not set national priorities of their own.

There were occasional indications that the balance between executive and legislature might be reconsidered, perhaps even that the constitution might eventually be modified. Putin, at least, spoke of the formation of a “professional, effective government relying on a parliamentary majority” in his address to the Federal Assembly in the spring of 2003. A number of Russian jurists had for some time been arguing that the Russian parliament needed more powers – perhaps approving appointments to key ministries as well as to the prime ministership; or being required to give its approval if a prime minister was dismissed, not simply when he was nominated. The logic of these changes was a semi presidential system, along the lines of the French system in which the president appoints the government, but the government in its turn requires the support of a parliamentary majority. At first sight, Putin’s appointment as prime minister after he had stood down from the presidency in 2008 at the same time as he was leader of the dominant party in the Duma appeared to represent a move in this direction. But the parties in France are autonomous, the electoral process is fully competitive, and the prime minister may represent a parliamentary majority that is opposed to the president and his policies – the arrangement known as cohabitation. In Russia, up to the present, the entire process has been dominated by the Kremlin, and the distribution of leading members of the ruling group across the various executive offices has been of little political significance. As long as these circumstances obtained, Russians would have few obvious reasons to join a political party and the parties themselves would have more to do with the regulation of society from above than the conquest of power from below.

References

Public opinion and voting behaviour


Public opinion is most conveniently accessed through the website of Russian survey agencies, such as the Levada Centre (www.levada.ru) or the Public Opinion Foundation (www.fom.ru), and in English at the Centre for the Study of Public Policy of the University of Aberdeen (www.russiavotes.org).
Civil society in the form of voluntary associations constituted an important part of public life in Tsarist Russia. After 1917, Bolshevik policies gradually eliminated most independent groups, while requiring participation (or at least membership) in state sponsored profession based organisations. This changed in the second half of the 1980s, leading some observers to accord “the return of civil society” a major role in ending Communist rule. In the Gorbachev years, Russia experienced a classic pattern of mobilisation to remove an authoritarian regime followed by rapid demobilisation. In the twenty first century the Russian government has sought to restrict independent organisations while encouraging and supporting groups that further government agendas. At the same time, the Russian government accepts a plethora of local civil society organisations that pose no direct challenge to the regime.

The renewed academic interest in civil society accompanying the “Third Wave” of democratisation received strong impetus from the demise of Communism. The “transitions” literature (O’Donnell and Schmitter 1986) and “Spanish miracle” (Perez Diaz 1993) marked a shift from attention to “political society” to an emphasis on voluntary associations, informal groups and the “public sphere”. Post communist cases increased the variety of interpretations, focusing on variations in organisations’ scope and origin. Inclusive definitions of civil society encompass informal organisations and social movements (Evans et al. 2006; Henderson 2003; Uhlin 2006); more restrictive interpretations emphasise associational life (Fish 1995; Howard 2003). Some scholars question whether “civil society” is a useful concept in non democratic contexts, a crucial issue considering Russia’s political history (Weigle 2000, 29–33). This chapter focuses on non commercial voluntary organisations orientated towards public ends that are independent from the state. We also consider an alternative tradition, going back to Hegel and Marx, emphasising the state’s role. State led civil society may offer a potential short cut to creating civil society, but it poses a serious danger of co option or state domination.

**Historical overview – Tsarist Russia and the Soviet Union**

Russia’s historical record supports both pessimistic and optimistic assessments regarding a “useable” civil society past (on this see Gilbert 2009). The Tsarist regime distrusted independent associations, but its institutional and financial weakness necessitated relying on society for many public goods. Voluntary associations proliferated and played a growing role in public life in the second half of the nineteenth century (Bradley 2009), as did less formal groups (Lindenmeyr 1996). A vibrant “middle sphere” emerged in late imperial Russia, and it forced political change in 1905 (Balzer 1996; Clowes et al. 1991).
The situation changed dramatically after the October revolution. The Soviet regime gradually eliminated independent associations, while demanding that people join state-sponsored organizations (Balzer 1996; Evans 2006a, 38). Children belonged to the “Young Pioneers” and most graduated to membership in the Komsomol, the Communist youth organisation. Working adults paid dues to official trade unions, and marched with their co-workers on official holidays. Mandatory participation exerted a negative impact on many individuals’ view of social organisations after the demise of communism (Howard 2003).

Despite persistent efforts, the Soviet state was never able to fully inhibit independent social activity. People took refuge in intense personal relationships, and in a host of seemingly innocuous chess, gardening, auto and other hobbyist groups. Even when these organisations were state-sanctioned and published official magazines, they were not “transmission belts” of state policy. Sometimes, independent activity sustained projects that proved useful to the Soviet state, as in the case of rocket enthusiasts (Siddiqi 2010).

After 1985, under the rubric of perestroika and glasnost, new space was created for public engagement and discourse. “Informal” groups emerged across the Soviet Union (Tolz 1990). Ecology movements in many Soviet republics morphed into popular fronts with broader political and soon pro-independence agendas (Dawson 1996). Hosking (1990, 64) estimates that as many as 60,000 groups existed in the Soviet Union by 1990.

Scholars who emphasise civil society’s democracy enhancing potential sometimes neglect the strong current of “uncivil society” in Russia’s history. “Uncivil society” groups advocate illiberal or even violent agendas (Kopecký and Mudde 2003). Examples include not only violent revolution circles, but also Monarchist and Black Hundred groups in Tsarist Russia (Rawson 1995), Russian nationalists in the Soviet period (Mitrokhin 2003), and a host of xenophobic and anti-Semitic groups in the Gorbachev era and after (Brudny 2000). These groups are generally excluded from discussions of civil society, reflecting a liberal bias in many accounts.

Post-Soviet civil society: the Yeltsin era

Rapid growth of informal organisations and the fall of the Soviet Union generated optimism that a flourishing civil society would take root in Russia (Starr 1988). Henry and Sundstrom (2006, 4) suggest that scholars viewed the re-emergence of civil society as an explanation for peaceful regime transitions in Eastern Europe and Russia and saw growing civil society as an essential element in the future consolidation of democracy.

The end of Communist Party rule was followed by a period of “demobilisation”, as informal groups struggled to reorient themselves in a highly fluid political environment (Weigle 2002, 119–23). Russia’s 1993 constitution and the 1995 Law on Public Associations established a legal basis for independent organisations, institutionalising the fledgling third sector. Between 1993 and 1997 the number of registered organisations increased from an estimated 50,000 to nearly 66,000 (Weigle 2002, 123). Diverse cities such as Moscow, Barnaul, and Novosibirsk reflected the trend.

Despite the growing number of organisations, by the end of the 1990s scholars downplayed the impact of civil society in Russia. Evans (2002, 325) noted a widespread consensus that civil society organisations did not play a significant role in Russian society. Evans (2002, 334) found the groups marginal “… in terms of their financial base, their political impact, and their role in the lives of most citizens…” . Statistical analyses of average voluntary association membership across countries showed the relative weakness of civil society in post-communist Europe, including Russia, compared with other world regions (Howard 2003).

Many explanations are offered for the relative weakness of civil society in Russia. A major factor for a number of scholars is the state’s influence on organisational structure, attitudes, and
behaviour (Fish 1995; Sperling 1999; Weigle 2000). Fish (1995, 77) describes how the form, character, and development of social organisations in Russia was determined by struggles with state institutions, rather than stemming from socio-economic modernisation or political culture.

The conditions under which elections were held in 1989 and 1990, state repression of political participation, intelligence agencies sowing distrust in an environment conducive to conspiracy theories, and the state’s control over economic resources presented obstacles with adverse consequences for the organisational capacity of groups that were part of Russia’s nascent democratic movement. A “movement society” is not the same as a civil society (Fish 1995).

In a closely related argument, Howard (2003) emphasises the ways people’s experience living under communist rule continued to shape their attitudes and behaviours in the post-communist period. Citizens who did not trust communist organisations have tended to be less active in voluntary associations. Individuals whose Soviet era friendship networks remained important have been less likely to join civil society organisations. Howard also found that people disappointed with developments since the end of communism were less likely to participate in voluntary organisations. In this analysis, the weakness of civil society after communism is largely due to attitudes and behaviours developed while living under communist rule.

Other analyses of Russian civil society have focused on the impact of foreign funding, while incorporating variables reflecting state structure. Domestic resources for social organisations were scarce in the 1990s due to the combined effect of intense economic dislocation and a poorly developed culture of philanthropy. In this environment, foreign funding was extremely important for social organisations. The enormous influx of spending by international donors, both private and governmental, was more than the existing NGO infrastructure could absorb. USAID spent over 1 billion dollars to promote democracy in Eastern Europe and the former Soviet Union in the first decade after the collapse of communism (Henderson 2003, 6).

Financial support from foreign sources has produced mixed results in Russia (Crotty 2003; Henderson 2003; Henry 2002; Richter 2002; Sperling 1999; Sundstrom 2006). When administered well, foreign support can enhance an organisation’s professionalism as well as its resources. But in a resource-scarce environment with few donors, groups inevitably come to focus their activity to match donor expectations and priorities rather than emphasising local concerns (Henderson 2003). Incentive structures may become skewed, with organisations less focused on involving average Russians in their activities than developing programmes favoured by outside donors. Foreign funding may foster competition rather than coordination among civil society groups. In her study of the fledgling women’s movement in the mid-1990s, Sperling (1999, 258) found that Muscovites’ greater access to foreign funding reduced cooperation among women’s organisations compared with groups in the provinces that relied more on local support. These problems are not unique to Russia. Scholars have described the “paradox” of NGO development (Jones Luong and Weinthal 1999) and the “scramble” among civil society groups for support (Cooley and Ron 2002).

Differentials in funding underscore regional diversity. The character and strength of civil society vary greatly across Russia’s regions (Sundstrom 2006a; USAID 2001; Weigle 2000). The uneven development of civil society reflects local socio-political environments, including whether local officials are open to working with social organisations, levels of economic development, and access to foreign funding or training. Building on extensive fieldwork in seven cities across Russia in the late 1990s, Sundstrom (2006a, 171) finds that where local governments are supportive of NGOs and where international aid is significant, as in Moscow and Novgorod, the NGO sector is large, active, and well-networked. Where local governments are supportive of NGOs but there is little foreign funding, as in Yekaterinburg and Izhevsk, the NGO sector is small due to lack of material resources yet is active and independent of the government. Where international aid is
significant but local support low, as in Vladivostok and Khabarovsk, the NGO sector is weak, with a disjuncture between NGOs statements and behaviour.

Though varied across space and time, civil society in the Yeltsin years did not exert significant influence on policy or create the underpinnings for a sustainable democracy. Despite the difficult operating environment, some social organisations did manage to attract attention to their concerns. Groups established to protect the rights of uniformed servicemen have been among the most active and influential (Caiazza 2002; Sundstrom 2006b). Most notable has been the Committee of Soldiers’ Mothers of Russia, which in the late 1990s divided into the Union of Committees of Soldiers’ Mothers of Russia and the Russian Committee of Soldiers’ Mothers (Sundstrom 2006b, 193). The groups’ policy successes have included securing amnesty for recruits who deserted after being abused during the first Chechen war (Sundstrom 2006b, 180) and forcing local draft boards to adhere to legal requirements when carrying out semi annual induction campaigns. The human rights and research organisation Memorial established numerous regional branch organisations across Russia. Groups with agendas including environmental protection, women’s rights, and support for the disabled have managed to achieve some of their goals (for case studies see Evans et al. 2006; Henry 2010).

The Putin and Medvedev era

Early in Putin’s first term as President, Izvestiya (21 November 2001) reported that about 70,000 of the 350,000 non commercial organisations registered in Russia were “operational”. Official Goskomstat data on “Public Associations” omit religious groups and other categories, but provide a sense of the fluctuations in numbers over time (see Table 30.1). These statistics do not shed light on the number of active organisations as opposed to those that exist essentially on paper. NGO experts estimate that about 20–25 per cent of the organisations are active (USAID et al. 2001; 2005).

Russian analysts generally divide NGOs into two broad categories: those engaged in social or charitable activities and those that advocate changes in government policy. Organisations focusing on social or charitable issues constitute the majority of active organisations, though trade unions boast by far the largest membership numbers. In 2009 membership in the umbrella organisation

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number of Public Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>122,594*</td>
</tr>
<tr>
<td>2003</td>
<td>133,905*</td>
</tr>
<tr>
<td>2004</td>
<td>143,161*</td>
</tr>
<tr>
<td>2005</td>
<td>149,201</td>
</tr>
<tr>
<td>2006</td>
<td>145,743</td>
</tr>
<tr>
<td>2007</td>
<td>141,789</td>
</tr>
<tr>
<td>2008</td>
<td>128,997</td>
</tr>
<tr>
<td>2009</td>
<td>123,406</td>
</tr>
<tr>
<td>2010</td>
<td>119,247</td>
</tr>
</tbody>
</table>

Note: *Data is calculated by subtracting the number of organisations registered in that year by the total number of organisations for the following year.
Source: Goskomstat.
Federation of Independent Trade Unions of Russia was approximately 26 million (www.fnpr.org.ru/n/252/4890.html), reflecting Soviet era policies that made union membership mandatory (dues were simply deducted from workers’ salaries). For a majority of the members of these organisations, membership is pro forma and the unions play little role in articulating workers’ interests or in broader political life (Ashwin and Clarke 2003; Davis 2006; Kubicek 2002).

When Putin became president, he pledged to collaborate with civil society, noting the contribution it made to building democracy in Russia (Weigle 2002; Richter 2009). Putin’s comments appeared to offer a promising contrast to Yeltsin, whose administration created the legal framework for independent associations but maintained a stance often characterised as “benign neglect” (Hale 2002, 314; USAID et al. 2005, 213; Weigle 2002, 132).

Putin’s greater attention to civil society has generated intense debate. One narrative views his programme as an assault on independent activity, intended to restore Soviet style “transmission belt” organisations. Others suggest that while undermining groups that he considers politically unacceptable, Putin has delivered stability and economic improvement that encourages the work of a wide variety of groups. A more complex analysis places Putin’s programme in a context of “authoritarian upgrading”: the regime seeks public involvement in funding and providing public goods while limiting political claims. Financial support is available to organisations that play by the government’s rules. At the same time, the government fosters its own GONGOs (government operated NGOs) and QUANGOs (quasi NGOs), while using regulatory and other sanctions against groups supporting alternative political agendas.

Putin’s relationship with civil society was shaped initially through the 2001 Civic Forum. Some 3,500 representatives of social organisations convened for two days of meetings, engaging high level government officials on a variety of topics (Nikitin and Buchanan 2002). Throughout the planning and execution of the event, organisations consistently resisted government attempts to centralise the meeting process or to use the Forum as an opportunity to establish a representative chamber of society (Nikitin and Buchanan 2002; Squier 2002; Weigle 2002). Putin attended the opening session, and responded to Ludmila Alexeeva’s request that he listen to some non government presenters (Balzer interview with Alexeeva, May 2003). After the forum, many activists and commentators expressed cautious optimism about the potential for increased dialogue between the state and civil society (see Weigle 2002, 136–38).

The optimism was short lived. In the aftermath of the Civic Forum the government increased pressure on organisations critical of the regime (Evans 2006b; Mendelson 2002). Particular targets included the Soldiers’ Mothers’ Committee, Memorial, and the Moscow Helsinki Group, which opposed the second war in Chechnya. In 2004, during his annual state of the union address, Putin publicly criticised organisations receiving foreign funding:

> In our country, there are thousands of public associations and unions that work constructively. But not all of the organisations are oriented towards standing up for people’s real interests. For some of them, the priority is to receive financing from influential foreign foundations. Others serve dubious group and commercial interests. And the most serious problems of the country and its citizens remain unnoticed. I must say that when violations of fundamental and basic human rights are concerned, when people’s real interests are infringed upon, the voice of such organisations is often not even heard. And this is not surprising: they simply cannot bite the hand that feeds them.

(http://eng.kremlin.ru/, accessed 12 February 2010)

Putin’s speech, combined with increased bureaucratic pressure on some social organisations, complicated the operating environment for NGOs.
Putin introduced a second effort to establish civil society “from above” after the tragedy in Beslan. In 2005, the government established a Public Chamber (obshchestvennaya palata) “to promote greater interaction between society and government authorities” (www.oprf.ru/ru/about/). The system for selecting the Public Chamber’s 126 members was designed to maximise government influence on the Chamber’s composition. One third of Chamber members are appointed by the president. These members then elect another one third of the members from national social organisations. The remaining one third of the members are selected from regional organisations via conferences in Russia’s federal districts. While the Chamber’s findings do not carry the force of law, some recommendations are taken seriously. The chamber also oversees competitions for grants awarded from the federal budget. During 2006, 2007, and 2008 these presidential grants for social projects allocated 500 million, 1.25 billion, and 1.5 billion rubles respectively. In 2009 1.2 billion rubles were distributed (Elsukov 2009).

A 2006 law innocuously titled “Amendments to Certain Legislative Acts of the Russian Federation” requires NGOs to report all funds received from foreign sources and how they are used. Natalia Bourjaily (2006, 5), Vice President for Newly Independent States at the International Center for Not for Profit Law, suggests: “These new requirements restrict who may form an organisation in the Russian Federation, expand the grounds on which registration may be denied, and enhance the supervisory powers of the state over organisations.” The enhanced supervisory powers include the power to demand documents detailing an organisation’s governing body and operation; the right to send representatives to an organisation’s events; and other supervisory powers over foreign non governmental, non commercial organisations (Bourjaily 2006, 5–6).

In January 2006, in the midst of the controversy over the pending law, the media campaign against foreign funded NGOs reached its apex in the “spy rock” scandal. The state security agency alleged that employees of the British Council were using a rock in a Moscow park to transmit espionage messages, and that one of the alleged spies funnelled money to 12 NGOs. Efforts to discredit human rights and foreign funded NGOs in the media have continued. Along with overarching bodies to administer civil society, support for government organised non governmental organisations, or “GONGOs”, has become a feature of the organisational landscape in Russia. The paradigmatic GONGO is the pro Putin youth movement Nashi (“Ours”). Many commentators view support for Nashi along with greater restrictions on foreign funding as part of an official strategy to inhibit mass mobilisation and preclude the sort of electoral turnover that took place in Georgia in 2003 and Ukraine in 2005 (Ambrosio 2007; Beissinger 2007; Hale 2006). Nashi mobilised thousands of young people to take part in provocative actions and mass rallies (Heller 2008). Nashi’s large budget and extensive media coverage facilitated mobilisation. The organisation’s high profile was demonstrated by visits from major politicians to its summer camps and meetings with Putin himself. After the regime managed the 2007 parliametary and 2008 presidential elections without major protests, Nashi’s organisational footprint was reduced from 50 regional branches to 5 (Kommersant, 29 January 2008). Some Nashi leaders took posts in the government (former leader of Nashi, Vasily Yakemenko, became head of the Federal Agency for Youth Affairs). Nashi continues to provide support against regime critics on some occasions.

Putin’s policies have been continued under Medvedev, with a few new developments. As Prime Minister, Putin introduced a new law significantly reducing the number of international donors enjoying tax exempt status in Russia. The decree cut the number of foreign and international organisations allowed to make tax free grants in Russia from 101 to 12 (Human Rights Watch 2009). Another decree on 13 May 2008 disbanded the Federal Registration Service created by the NGO Law and transferred its authority to the Ministry of Justice.
More optimistic observers can point to countervailing developments. In April 2009 President Medvedev reinstituted the President’s Council on Civil Society and Human Rights, in which members spoke freely and openly about the state of human rights and civil society in Russia. Following this meeting, a working group was set up to review the most restrictive aspects of the NGO Law. However, “NGO representatives have also expressed bewilderment at Medvedev’s decision to name Vladislav Surkov, his first deputy chief of staff, as the head of the working group. Surkov, who held the same post in Putin’s Kremlin, is believed to be the man behind the tough NGO law that is now under scrutiny” (von Twickel 2009). Changes to the NGO law were enacted in July 2009, limiting the grounds on which registration may be denied and restricting the list of documents which a government body may demand from NGOs. The new legislation also decreased the number of permitted audits from once a year to once every three years (RIA Novosti 2009). However, these changes do not affect audits by government agencies other than the Ministry of Justice. Thus, while Medvedev has relaxed some policies towards social organisations, the main elements of Putin’s programme remain in place.

In late August 2010 President Medvedev intervened to reverse a decision about the route of a new highway from Moscow to St Petersburg. The route approved by Kremlin officials cut through the Khimki forest, a protected park where many Muscovites had built summer homes (dachas). Private property and public woodland would be lost. A young woman, Yevgeniya Chirikova, became a national hero as a result of her efforts to organise opposition to the proposed route.

Policy changes affecting civil society

While most scholars agree on the basic contours of the Kremlin’s policies, less consensus exists regarding their impact on Russia’s diverse social organisations. Some maintain that Putin’s policies encourage only groups with a non political or pro-government orientation while isolating more adversarial organisations. Independent organisations exist, but on a highly unequal basis (Evans 2006b; Hashim 2005; Lipman 2005; Robertson 2009, 531; Rutland 2004). Putin’s policies may best be understood as an attempt to manage civil society in ways that are preferred by the Kremlin (Balzer 2003). As evidence, scholars point to the many ways that the Kremlin seeks to neutralise or co-opt organisations through contact with the government in the Public Chamber, government funding at the federal or local level, selective application of the NGO Law, or manipulation of state controlled media to the benefit or detriment of specific groups. Organisations receiving foreign funding have been singled out for criticism and harassment.

Other scholars assert that Putin’s policies have the potential to help NGOs by giving them additional attention, resources, and voice (Javeline and Lindemann Komarova 2010; Salmenniemi 2008; Richter 2009). Some argue that closer regulation of Russia’s NGOs will minimise incidences of fraud and corruption (Petro, CSCE Hearing 2006). Javeline and Lindemann Komarova (2008, 2010) suggest that critical analyses of Russia’s roll back of democracy and civil society are exaggerated, relying solely on anecdotal evidence. Specifically, they maintain that negative analyses of civil society based primarily on a select number of human rights organisations in Moscow does not reflect the experience of Russian civil society more broadly. Positive developments such as the increased number of competitive grants offered by regional and federal governments as well as expanded self-government at the local level are routinely ignored.

One response to the challenge posed by Javeline and Lindeman Komarova (2008, 2010) is to note the tremendous diversity of Russian civil society across geographic regions and functional emphasis (Beznosova and Stundstrom 2009; Chebankova 2009). In addition, scholars have been conducting systematic research on the Public Chamber that demonstrates the often contradictory nature of civil society development in the Putin era (Evans 2008; Richter 2009). Evans and
Richter both find that the Public Chamber is not a mere puppet of the government as critics feared. Members of the Public Chamber have pursued a broad array of policy issues, and at times criticise the government. In November 2005 the Chamber called on the Duma to postpone a vote on the controversial NGO Law, and after it passed, some members continued to call for its amendment (Evans 2008, 348–9). Chamber members have called attention to specific cases, including the brutal hazing of an army recruit in Chelyabinsk and a housing dispute in a Moscow suburb. However, these scholars note that the Chamber must balance a dual role as internal critic and loyal Kremlin supporter. The organisation’s weak institutional structure provides incentives for its members to pursue their own personal agendas rather than working as a unified body to respond to demands from below in a systematic way. As Richter (2009, 62) incisively concludes: “Rather than modeling civil society, then, the Public Chamber instead will likely reproduce the patterns of Russian officialdom that it was supposed to monitor and control.”

The contradictory nature of Russian government policies towards civil society is further highlighted by recent empirical studies. In her conceptualisation of civil society as three interactive spheres, Chebankova (2009) concludes that the two largest spheres of civil society – state sponsored groups and Western financed organisations – suffer from state control and repression. At the same time, she notes growth in a third sphere – domestic grassroots movements addressing issues such as motor vehicles, housing, and the environment. Jordan’s (2010) interviews with participants in the Civil G8 meeting organised during the 2006 G8 summit in St Petersburg also paint a complex picture of Russian civil society. While various independent organisations participated and provided critical input, the Civil G8 had no significant impact on the proceedings of the G8 meeting or subsequent Russian policy towards social organisations. Gilbert (2011) interviewed participants in human rights, women’s, and youth organisations. Neutral or pro regime organisations report having an easier time operating in contemporary Russia than groups that are perceived as independent or critical of the regime. Organisations critical of the authorities are consistently being “crowded out” of the public sphere.

The 2008 global financial crisis may mean that foreign funding will be a less pressing issue, as the resources to support international programmes shrink. While aiding the Russian government’s efforts to reduce foreign influence, resource stringency will put additional pressure on NGOs at precisely the time they are being called upon to play a greater role in providing public goods that the Russian state cannot guarantee.

In sum, despite the multiple changes in Russian politics and society over the years, several patterns observed in Russian civil society persist. As Sundstrom and Henry (2006, 305) note in their discussion of the tension and trajectories of Russian civil society, many Russians remain reluctant to join social organisations, NGOs struggle to address material and human resource needs, organisations communicate with the state primarily through connections to key individuals, and the state is still the dominant actor in the political sphere. And especially because of the state’s strong role in shaping civil society in Russia, there is continuing debate about the government’s diverse policies: the Russian central government supports GONGOs and some independent organisations, tolerates many other groups that advance no political claims, and endeavours to circumscribe or suppress activity perceived to encourage political opposition. The pattern is replicated with greater variation across Russia’s regions. While this diversity is a source of hope for expanding the space in which Russian civil society operates, it is less promising as a basis for democratic evolution.

References

Leah Gilbert and Harley Balzer


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Informality and informal politics

Alena Ledeneva

Theoretical puzzles in studying informality

Given the importance of informal ways of getting things done in Russia and the role informal practices played in the post-Soviet transition more generally, research into the field of informality has been slow to develop. Some of the reasons are of a pragmatic nature. In studying informal institutions, networks, and practices, the researcher often encounters methodological challenges and pressures to work cross-discipline, as well as unwelcoming attitudes of respondents. But there are also conceptual puzzles of integrating the informal dimension into disciplinary research, as well as moral resistance to find out inconvenient facts about the functionality of grey areas for politics, economy, and society. In certain contexts, it is wrong to assume that the formal rules are universally applied, clear, enforceable and fundamentally beneficial, and that the informal ways of getting things done are always detrimental. Indeed, how do we relate to “improper forms of behaviour”, defined as corruption by outsiders, that are common and considered a norm by insiders? Does it make sense to describe informality as corruption, if such deviant ways of getting things done become a norm? If not grasped by existing categories, how can we tackle the situation of widespread informality analytically?

Our understanding of matters informal—or informality—is most advanced by the studies of the informal economy in socialist countries—the work of Gregory Grossman and his classic research into the so-called “second economy” is widely known. Since the 1980s, there have emerged multiple analyses of the unofficial, underground, black, undercover, illegal, shadow economy. (Schneider and Enste 2003). From the 1990s new terms have aimed at grasping the shades of grey in the phenomenon of informality: semi legal, extra legal, quasi legal, supra legal, or non legal, somewhat similar to an earlier effort by Katsenelinboigen (1977) who had conceptualised types of markets in terms of the colour spectrum. An important conclusion of studies of the informal economy is that it is as much a solution as it is a problem. Hernando de Soto’s analysis of the Latin American informal sector suggests that not only research but also policy should integrate the perspective of informality. He argues, for example, for legalisation of the outcomes of the informal economy where possible (De Soto, 2002).

Apart from the informal economy, there are three other concepts associated with informality—informal institutions, informal networks, and informal practices. How do they relate to each other? Do we use the term “informal” in the same sense with all of them? Could it be the case that a relevant set of circumstances can be described by all these concepts? Consider some striking examples of insider deals that have prevailed: as Chrystia Freeland (2000) documents, in the mid-1990s privatisation auctions as a method of state asset disposal, or the reverse trend of “velvet
renationalisation” in the form of state corporations described by Vadim Volkov (2008). Should these events be described with reference to the predominance of informal institutions, or informal practices, or informal networks? Is conceptual choice determined by disciplinary approaches? Say, political scientists go for institutions, sociologists prefer networks, while anthropologists focus on practices? If so, which categories should be used in interdisciplinary research?

In this chapter I draw a connection between different disciplinary approaches to researching informality, review briefly the existing literature, and illustrate some of the efforts to handle informality in Russian politics. I refer here mainly to Russia, but understanding the workings of informal institutions, informal networks or informal practices behind the formal façades is essential for all societies (Lauth 2000; Helmke and Levitsky 2004, 2006).

**The meaning of the “informal”**

Before we consider the existing literature on informality, let me emphasise the problematic nature of the term “informal”. An interesting thing about it is that it is very commonly used yet remains unclear – or rather, it is defined residually rather than substantially: everything that is not formal is considered to be informal. As Helmke and Levitsky, who tried to set up a new research agenda for comparative research on informal institutions in political science, have discovered, the term appears in the context of “a dizzying array of phenomena, including personal networks, clientelism, corruption, clans and mafias, civil society, traditional culture, and a variety of legislative, judicial, and bureaucratic norms” (Helmke and Levitsky 2004).

Even more confusingly, the meaning of the term “informal” is context bound – it can be equally positive, neutral, or negative. It can be positive in the context of informal settings and relationships, say, a code of friendship or civic association (Putnam 1993). It can be neutral when referring to informal norms of behaviour at a London gentlemen’s club or informal codes existing in various sub-cultural settings. And it could be largely negative where it refers to use of informal contacts to achieve goals in formal contexts, such as use of blat – use of personal contacts for obtaining goods and services in short supply or to circumvent formal procedure – and other ways of “beating the system” at the expense of other citizens (Lomnitz 1988; Ledeneva 1998). Use of informal obligation or informal pressure to achieve goals in formal contexts has been common in Russia and China, where façades of the market economy hide a complex web of informal relations built and used both in traditional and new sectors of the economy. Anecdotal evidence from both countries suggests that insider trading becomes an implicit part of the hiring contract whereby a recruit assumes, or even is informed about, possibilities to make up for the modest salary “on the side” as it were, “by deals”.

The problem with the difference in moral loading of the term is that it is defined by the context and functions that informality carries out in particular circumstances. On the one hand, it could mean absolutely legitimate activities taking place outside the formal economy. On the other hand, informal activities can be directly exploitative of formal economies, where people willingly or unwillingly are forced into petty workplace crime and abuse of access to public resources, diversion, and embezzlement for non designated use. Such exploitation often implies a great deal of competence in formal rules as well as understanding just how far one can bend them. This makes some informal activities more “informal” (illegitimate) than others. In other words, some activities rely on established and consensual norms, whereas other activities are viewed as opportunistic and improper in the sense that they are in some conflict with the formal rules. It is therefore unfortunate that the term “informal” refers not only to activities supporting existing norms, traditions, and customs that complement or substitute formal rules – thus constituting an
important part of the institutional framework – but also to the activities resulting from a conflict of these norms, traditions, and customs with formal rules. In addition, one can also think of many examples where so called informal activities do not clash with formal rules but use them manipulatively, i.e. violate not the letter of the law but its spirit, or, worse, aim at creating formal rules that serve informal interests – the phenomenon known as “state capture” or more recently “legal corruption” (Hellman et al. 2003; Kaufmann and Vicente 2005).

In real life some informal constraints – for example the mafiosi code of honour, the code of the criminal underworld (poniatyi), or informal requests received on the telephone from the Kremlin (telefonnoe pravo) – seem more efficiently enforced than any formal rule (Ledeneva 2008a), while formal rules can be codified and officially recognised but not enforced, such as obsolete but not annulled Soviet laws or decrees that had been signed but never implemented. In academic analysis, one has to distinguish between the formal and the informal in terms of ideal types: formal rules and informal norms. The ideal types of formal rules include juridical or quasi juridical rules that are consciously produced and enforced by mechanisms created for purposes of such enforcement. The ideal types of informal norms include customs, codes, and ethics that are by products of various forms of social organisation (for example, family, personal network, neighbourhood, community, club membership). It might be useful to think of an ideal type of “in formal” where informal norms penetrate and divert the logic of formal rules, as well as formal rules that contradict the spirit of the law.

**Informal institutions, informal networks, informal practices**

Since O’Donnell’s (1996) analysis of “informal institutionalization”, “informal institutions” became one of the popular keywords in political science. The “informality” that existed in all societies and became part of the definition of institutions as humanly designed constraints of both a formal and an informal nature (North 1990, 6) has been explored further to pin down its effective and ineffective outcomes in different institutional settings. Where formal and informal institutions are convergent, Helmke and Levitsky (2004, 728) distinguish complementary and substitutive types of informal institutions; where divergent – accommodating and competing ones. In political science the notion of informal institutions is largely associated with competing ones: clientelism, patronage, corruption, mafia, and crony capitalism that help redefine the formally declared political regimes in Latin America, Eastern Europe and Central Asia (Lauth 2000; Gelman 2004, 2011; Collins 2006; Helmke and Levitsky 2006).

According to Gelman (2011), post Soviet Russia could be considered as a laboratory for a “natural experiment” in the dominance of these informal institutions and their distortion of politics, economics, and society. He includes various phenomena such as “blat” (Ledeneva 1998), loan for shares privatisation deals (Freeland 2000), the capture of assets of private business through an organised bankruptcy (Volkov 2004) or through direct state intervention, as in the case of the “Yukos affair” (Sakwa 2009), non transparent party and campaign financing (Gelman 2004), and the like under the rubric of informal institutions. While such institutions can be identified, mapped, and explained within their historic and socio economic context, their measurements and comparisons both in cross–national and cross temporal perspective remain problematic.

The best analyses tend to embrace the fact that formal and informal institutions combine in practice. They aim at identifying the gap between de jure and de facto processes, focusing on both aspects of institutional frameworks, thus mapping the informal workings behind formal façades and revealing a complex relationship between them. In her analysis of the privatisation of land in rural areas of post Soviet Russia and Ukraine, Jessica Allina Pisano (2007) reveals the hidden character of bureaucratic resistance that creates an official record of land distribution where in fact none or very
little occurs, but also brings out economic constraints that limit rural people’s desire and capacity to convert paper rights into actual allocation of land in the fields. The gap between *de jure* and *de facto* property rights regimes identified by Allina Pisano is a perfect example of how it is essential to study the *de facto* state of affairs, represented by the workings of informal bureaucratic practices, as well as formal constraints and their symbiotic relationship.

Sociologists seem to favour a network approach (see the review of literature on social networks in Ledeneva 2008c). Networks coordinate individuals in alternative ways to formal organisations; they penetrate structures, and thus intermediate fundamental sociological concepts of an individual and a structure. Individuals as well as structures enable, provide for, but also depend on the informal workings of networks and the informally built networks deserve attention. Interpersonal networks are often viewed as a substitute for impersonal systems of trust in high-risk environments and predominate in the literature on trust/distrust (Rose 2001; Rose and Mishler 2007). Frequency of contact is usually taken as a proxy for measuring weak or strong ties in informal networks (Granovetter 1973, 1982).

Although the concept of networks is used in economics, it was assumed that once the centralised system ceased to exist, there would not be a need for alternative currencies or an extensive use of informal networks. Markets would take care of functions that used to be performed by informal networks. However, research shows that not only does the use of networks not diminish, it actually goes up, especially in newly emerging sectors (Castells 2000; Miller et al. 2001; Rose 2001). The legacy of socialism is often blamed, and the Soviet grip is indeed part of the story. But one must not dismiss the rationality of the use of informal networks and their effectiveness for problem solving. This point has become central to the notion of transaction costs, introduced by North and widely used in neo-institutionalist analyses.

The perspective of informal practices does not easily admit of quantitative analysis but provides a tool for a context bound and non-normative understanding of informality. I define “informal practices” as people’s regular strategies to manipulate or exploit formal rules by enforcing informal norms and personal obligations in formal contexts. Such strategies involve bending both formal rules and informal norms, or navigating between these constraints by following some and breaking others. Informal practices are often misunderstood, misinterpreted, and mistaken for corruption. This is not surprising – they are not transparent to outsiders, they rely on personal relationships and informal norms, and they often present an obstacle to modernisation. But the relationship between informal practices and modernisation is more complex. For example, informal practices used to obtain goods and services in short supply and to circumvent formal procedures – *guanxi* and *blat* – in pre-reform China and Russia played a contradictory role in those economies: on the one hand, they compensated for the defects of the formal rules, thus enabling the declared principles of the economy to exist; on the other hand, they undermined them. These informal practices should not be seen as simply detrimental during the post-reform transformation either. In many ways they are responsible for its success: they are both supportive and subversive of post-reform institutions (Ledeneva 2008b).

Informal practices are intrinsically ambivalent in their functions: they both serve the regime and the people, while simultaneously undermining the regime and corrupting the people. Thus research into *blat* practices has helped solve a double puzzle in the history of authoritarian regimes: how people survived in an economy of shortage, and how the regime survived under similar constraint. But it has also opened an avenue to explore the nature of political and economic regimes from a new perspective – the perspective of informal practices. Informal practices have become an important indicator in assessing models of governance. I have identified the informal practices that have replaced *blat* in the functioning of the political and economic institutions of the 1990s (Ledeneva 2006). Yuko Adachi (2009) has analysed informal practices in corporate governance.
Informal practices are difficult to study. Their hidden character makes measurement problematic and research has to depend predominantly upon qualitative methods. Data collection is difficult because one has to rely on participants’ willingness and ability to articulate what they do. Making comparisons between informal practices is also tricky as similar activities can have different meanings and functions in different contexts. These may be more visible in circumstances of radical change, as in Russia, but much more difficult to identify in circumstances where changes have been more incremental.

An interdisciplinary approach is essential for understanding the workings of informality. For understanding blat, for example, one has to grasp its history, its political significance, and the ideological nature of bargaining powers, economic functions, social skills, and divisions behind blat, as well as the anthropological aspects of the informal exchange of favours – not exactly an exchange of gifts but not one of commodities either (Ledeneva 1998). It is also noteworthy that all concepts – informal economy, informal institutions, informal networks, and informal practices – are important here. In turn, research into blat has been relevant for studying social capital, consumption, labour markets, entrepreneurship, trust, mobility and migration, shortages, barter, survival strategies, alternative currencies, the shadow economy, redistribution and remittance economies, informal politics, political competition, and democracy. All these fields illustrate efforts to re-integrate social dimensions into studies of politics and economy. Where the literature tends to focus on political and economic aspects exclusively, the “informal” perspective contributes insights into social forces at play. At the same time, it is fair to say that the predominance of informality in transitional societies has not affected mainstream disciplinary approaches significantly – they either continue to exist in parallel or engage in an asymmetrical way.

Such asymmetry is understandable: it is impossible to study the informal economy, networks, practices, or institutions without their formal frameworks, but it is possible to study formal frameworks, and in a comparative way, without paying attention to the informal patterns penetrating them.

To illustrate the workings of informal politics in Russia, let us consider some developments prioritised by President Medvedev with reference to the informal practices of “telephone justice” and “blat appointments”.

“Telephone justice”

If the arrival of President Putin is associated with the decline of the influence of criminal groups in favour of the influence of siloviki, the arrival of President Medvedev might result, if successful, in the replacement of the influence of siloviki by the influence of civiliki, a network of graduates of the law department of Leningrad State University, now holding key positions at the Arbitration and Constitutional Courts (Stack 2008, 8–10). Following up on his pre election promise to tackle society’s “legal nihilism”, Medvedev has declared a crackdown on so called “telephone justice” – the practice of exerting pressure, making informal requests or offering money for certain decisions in courts (NEWsr.com, May 2008).

“Telephone justice” originated in Soviet times (Huskey 1992; Solomon 1992). When a top official wanted a particular result in court, he would simply phone the judge and explain the party line. Although communist ideology is long gone, pressure on courts continues to exist in spite of reforms of the judicial system in the 1990s and Putin’s 40 per cent pay raise for judges and financial support for the courts (Pastukhov 2002). After almost two decades of reform, the situation has only improved to some degree (Hendley 2007). Medvedev’s priority is, in his own words, to eliminate “the practice of unfair decisions made through connections or for money” and “to make the judicial system genuinely independent from the executive and legislative branches of power” (Medvedev 2008).
In September 2005 a woman was sentenced for her attempt to influence a court decision by making a telephone call about a property in central Moscow, pretending to be calling on behalf of the Chairman of the Supreme Arbitration Court (Kulikov 2005). In an interview to Parlamentskaya Gazeta at the time, the Chairman of the Moscow District Federal Arbitration Court, Liudmila Maikova, was asked, “How strong is telephone justice in Russia? Is it hard for the Court to be independent?” She dismissed the whole idea as gossip and myth (Maikova 2005), and so did the Chairman of the Moscow City Court Olga Yegorova (Yamshanov 2005). But after Medvedev came to power, Maikova was suspended on charges of unethical behaviour (Kommersant Online, 20 May 2008). There has also been a defamation case against a journalist who accused a Kremlin official of “giving orders to the Supreme Arbitration Court” in a radio broadcast. This 2008 case is unprecedented: the Deputy Chairman of the Supreme Arbitration Court, Yelena Valyavina, was called in as a witness and has actually confirmed the fact of influence on the part of the Presidential Administration (Dymarsky 2008). Although her statement must have received a clearance from the Court Chairman, Anton Ivanov, the fact of the matter is that political will was exercised at the top. Ivanov himself could have consulted his co-author of an award winning textbook on the Russian civil code, the man who is now the president (Gutterman 2008).

How widespread is telephone justice in courts in Russia in general? In an all Russia 2007 national survey, almost one third of respondents seemed satisfied with the workings of the courts (12 per cent replied that all court decisions are made by law and 18 per cent replied that only a few judges take bribes and are subject to pressure). More than half of the respondents, however, acknowledged the susceptibility of judges either to corrupt payments or other forms of pressure: 25 per cent of respondents said that judges take bribes as a rule, although there are also principled judges, and a further 20 per cent said that even these principled judges would react to pressure on particular cases. Interestingly, the most pessimistic choice — indicating that practically all court decisions are taken for a bribe or under pressure “from above” — was also the least popular at 7 per cent. The remaining 18 per cent of respondents were “don’t knows”. It is also indicative that in response to the question “If you were to have a case considered before a court, and, in your opinion, it was unfair, which of the following would you most likely do next?”, 33 per cent of respondents said they would go to a lawyer for advice about further action, 14 per cent would appeal (place a complaint about the carrying out of the trial or judge’s decision to higher authorities), and 9 per cent would go to an independent human rights organisation (for more details and regional distribution of data see Ledeneva 2008a).

Legal experts whom I interviewed in Russia largely agree on the following: although it is ridiculous to suggest that every court case in Russia is decided according to directives from above, ways to influence a particular case can be found if needed. In other words, pressure does not have to be pervasive to be fully effective. Moreover, the form of influence can be chosen according to the personality of a judge. Court chairmen have a variety of ways of dealing with non-compliant judges, known for their personal integrity. Importantly, direct forms of influence might not even be necessary where the dependence of judges on court chairmen facilitates self-censorship – the so-called “chilling effect”.

The difficulty with tackling “telephone justice” is that it relies upon informal rather than formal means – this is the point of the telephone call, as opposed to written communication. How can such a challenge be tackled by formal measures or legal reforms? Medvedev’s proposed working group will introduce new legislation and measures to push forward judicial reforms such as ensuring the financial independence of courts from local authorities, providing security and social protection for judges, and eliminating administrative influences on judicial appointments and disciplinary procedures. Most such measures have been initiated before and have not thus far
separated the judiciary from the executive branch of power. It might be the case that patterns of informality should be tackled informally, by the power of oral command, thus turning the informal system against itself. Just as in July 2000 Putin redefined the rules of the game for oligarchs by warning them not to meddle in politics, from May 2008 Medvedev could have been sending an “oral command” (at least to his own presidential administration) not to meddle with the courts.

**Blat appointments**

In July 2008 President Medvedev raised concern over appointments through personal contacts or by payment, the so-called “blat appointments”. In response, he suggested the creation of a national database of public administrators and a presidential quota for appointing professionals (Viktorova 2008). The so-called “first hundred” was announced shortly afterwards and a list of further 400 names of the “president’s reserve” was published on the Kremlin website on 21 December (BBC Monitoring 2009). Corporate owned Russian news agency Interfax reported that 162 names on the list of 500 were federal officials, 93 were regional officials, 149 represented the business community, and 94 represented science, education, and public organisations. Women made up 13.8 per cent of the list.

This initiative provoked a number of commentaries. The leader of the LDPR faction in the Duma, Vladimir Zhirinovsky, told Komsomolskaya Pravda that the trade in appointments is a national practice and revealed the price list with, as his critics suggest, a notable exception of the price for a place on a party list for State Duma elections. His list quotes tariffs as follows: from 5 to 7 million euros for a position as governor; from 5 to 7 million euros for a seat in the Federation Council; between 3 and 4 million euros for a position as head of a Federal Service or head of a department (Viktorova 2008). A representative of the Duma Committee to fight against corruption, Anatoly Golubev, said these figures are realistic but also added that the price depends on the level of contact through which the appointment has been lobbied (Viktorova 2008). Use of informal contacts is the key to understanding appointment procedures, and the tariffs are indicative of the expectations of the return on the “investment” for the appointee, but also of the kickbacks to whoever had helped with the appointment.

Personalising appointments in public administration has more functions than simple channelling of information or help with obtaining a job. Blat appointments tie up appointees with informal commitments to the boss and the contact who recommended him or her (lichnoe poruchitel’stvo). Again, in societies where loyalty is the essential operating principle in public administration, with rewards distributed through the system of informal kickbacks, an independent professional with whistle blowing potential is unemployable. In this context, personal networks are much more important and work as a substitute for professionalism. As opposed to open networks of independent agents based on professional expertise as well as making the most of a formal context, kin and social networks in Russia function in a pre or anti modern way in order to enforce loyalty and compliance with the informal ways of getting things done (Rose 2001; Rose and Mishler 2007), now largely appropriated by the elites and the new middle class (Ledeneva 2008a).

My research shows that informal practices, particularly those based on interaction between public administration and business or banking services, are essential for the operation of both the formal and informal economy and for compensating for the defects of impersonal systems of trust in Russia (Ledeneva 2006). Informal payments, or kickbacks (otkat), have become the core modus operandi of the informal exchange of favours and imply a high degree of interpersonal trust (loyalty, dependence) in informal transactions. According to Alexander Chepurenko of the Higher School of Economics, state officials accumulate significant economic resources by combining rent seeking
behaviour and the corresponding income from “administrative rent” with entrepreneurial activities and profits received by their family, relatives, or associates. In his view such rental income drawn from the use of “administrative resources” is the hidden foundation of the growing middle class in Russia today. Correspondingly, the social stability associated with the middle class is rather specific as it is based upon shadowy rental incomes that state officials squeeze out of their positions in formal and informal hierarchies – “in other words, bribes and kickbacks” (Yusupova 2007).

At the top end of the spectrum of kickbacks is rental income associated with state capture. According to expert estimates, the “governmental services” include introduction of an entry into the budget – from 4 per cent of the allocated sum; signing of additional export quotas – from 10 per cent of market value; kickbacks for the signature of a state order – 20 per cent of the sum; transfer of budget allocation – from 5 per cent of the sum; kickbacks for the export of cheap gas – 50 per cent of the difference between the market and agreed price (Davydova 2006).

Actual numerical estimates are not as important as the identified patterns of services – the informal practices that penetrate all branches of power. In the legislative branch, so called “deputatskie” services include custom made legislation – from $0.5m; introduction of draft legislation for consideration in the State Duma – from $0.5m; introduction of amendments to legislation – from $0.2m; adoption of legislation on tax, customs tariff, and customs regulation – from 10 per cent of potential profit; a vote in favour of a certain outcome – from $2000 (per vote); organising a deputy’s request to the General Prosecutor’s Office – from $50,000 (Davydova 2006; see also Nemtsov and Milov 2008).

Judicial institutions and law enforcement agencies equally come under pressure from economic actors pushing for favourable court decisions and other services. The pricelist includes initiation of a legal case against a competitor – from $100,000; “purchasing” a court decision on the confiscation of assets – from $50,000; initiating a decision on the freezing of a banking account or its reversal – from 30 per cent of the sum; facilitating the outcome of a commercial dispute in an arbitration court – from $50,000; the arrest of shares or other assets – from $30,000 (Davydova 2006).

INDEM research details the actual payments in more detail. Although half of approached businessmen refused to share their experience of corruption, the answers received to a question about the share of bribes in the monthly turnover of their firms suggest that 25 per cent of companies pay up to 5 per cent of their turnover, 13 per cent of firms pay 5–10 per cent, 5 per cent of firms pay 10–20 per cent, and 2.5 per cent pay state officials as much as 20–50 per cent of their turnover (Satarov et al. 2005); this research shows that kickbacks vary from 10 per cent on deliveries of IT equipment to 50 per cent on orders for scientific research. The formal side is preserved: there are open competitions and tenders. State officials might delegate writing the IT task description to a computer firm that will eventually win the tender but reserve the right to request the appropriate kickback in the event of allocating budget funds to that particular firm. The task of the IT firm is to complete the task under budget. The majority of IT services to state run companies such as Gazprom or RAO UES are loss making. The benefits come from their affiliation with the big names, not their actual contracts with them.

Conclusion

Given the economic rationale for and dependence on kickbacks, there is little wonder that administrative reform in Russia is struggling and that the principles of separation of powers and the rule of law are not operational. Yet the impact of informality is not seen as exclusively negative. One cliché about corruption in Russia is that the economy would not be able to work without it – the problems of an alternative to “administrative rent” and the independence of the
judiciary have to be resolved before anti-corruption policies become effective. Informality can be an effective policy tool in the meantime. The Russian leadership is known for imposing “corporate responsibility” and using informal leverage to promote the modernisation agenda and to achieve strategic goals. In the long run, however, informal tactics undermine the fundamental principles of separation of powers, property rights, and equality in the face of the law; ultimately they compromise the chance of reaching the strategic goals of modernisation. This is the “modernisation trap” of informality: one cannot use the potential of informal networks without the backdrop they entail. For example, just as it was made easier for Medvedev to become a president, it makes it much harder for him to consolidate his own power base. Whereas networks of power enable their participants to mobilise resources effectively in the short term, they also create long term lock in effects for the elites that are detrimental to Russia’s modernisation.

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Russian nationalism, commonly referred to in the Russian lexicon as “patriotism”, has played an increasingly prominent role in Russian politics and society since the collapse of the USSR. In particular, since the emergence of an official statist patriotic programme under former President Vladimir Putin in the early 2000s, nationalism has become entrenched as the political lingua franca in contemporary Russia. Nationalist patriotic language and symbols are now part of nearly all the mainstream political groups and party’s platforms, as well as having long been the domain of most of the more ‘radical/ extreme ultranationalist’ groups at the margins of Russia’s political spectrum. Politicians of virtually every persuasion use nationalist patriotic rhetoric to legitimate their positions; and indeed, as many commentators have noted, all must express their attachment to “Mother Russia”, their patriotism, and commitment towards promoting the nation’s interests in order to have any real credibility or influence (Evans 2008; Okara 2007; Laruelle 2009; V. Shlapentokh 2008).

Nationalism is commonly portrayed as being a programme of nation building, a secular “ideology” that aims to create, or sometimes re create, a nation state (see, for example, Anderson 1991; Breuilly 1993). The key element defining a nation state in the literature is the sovereignty (authority) of a community of free and equal citizens integrated by a particular territory, language and culture. The notion of the “nation”, Tishkov (1997) argues, is an ideology that is a product of a political agenda to promote a particular form of state on the part of particular elites, rather than something that is grounded in reality. It is a subjective category, not objective fact. Tishkov’s analysis of the nation being something manipulated and used by particular elites rather than something primordial or “essential” has much to do with Russian perspectives on nationalism and historical uses of the term in Russia, in particular during the Soviet period.

Critical in understanding the language and politics of nationalism in contemporary Russia is being aware of the meaning of “nation” to Russians. Generally, what is defined as nationalism in a Western context, in particular its political and civic variants, are to Russians what constitutes patriotism. For Russians this has meant the affiliation to a broader multi ethnic, multi national construction of what is “Russia”: a conglomeration of territories and nationalities dominated by its largest ethnic group, the Russians themselves, which comprised the geopolitical space of the Russian Empire and then the Union. It is for this reason that the current state sponsored programmes all have an inclusivist statist patriotic focus, rather than being overtly Russian nationalist from an ethno nationalist perspective. Most Russians still understand the term nationalism almost exclusively as invoking ethno nationalism, and it has strong negative connotations for them. Nationalism was one of the perceived reasons for the collapse of the USSR, in particular its role in the former constituent Republics. The perception of the term nationalism in Russia as
being ethno nationalism is a direct consequence of the Soviet nationalities policies in the process of which the entire Union was mapped and divided on the basis of ethno territorial formations whereby nations were defined in ethno cultural terms referring to a common history, culture and language as well as inhabiting a certain historical ethnic geopolitical territory. Ethnicity provided the basis for socialist federalism that denoted specific status and government being established for all the major Soviet nationalities except the most numerous and dominant, the Russians themselves. In the latter’s case a separate Congress of People’s Deputies, a national Russian Communist Party, and position of President of the RSFSR were only created in 1990.

One of the key debates within the broader literature on nationalism concerns the distinctions made between civic (inclusivist) and ethnic (exclusivist) constructions of national identity and subsequent forms of nationalism. It is particularly relevant in the Russian case, where one of the pivotal debates has been whether its redefined post communist, post imperial, post Soviet national identity is fundamentally inclusivist given the historical legacies of empire and union, or whether, as the dominant ethnic group within the Federation, Russians are now evolving a more ethno national focused nation state. While this simple dichotomy has been much criticised (Kuzio 2002) it does have some resonance in contemporary Russian analysis (Tishkov 1997, 2000, 2008). The literature on Russian nationalism has gone through an evolution that in many senses reflects the evolution of Russian nationalism itself over the last few decades. Many scholars have noted that Russian nationalism always co existed underneath and within the Soviet identity and Soviet Union (see Dunlop 1983, 1985; Laqueur 1994). During the Soviet era overarching and within the ethno national structuring of the USSR was the hegemonic nationalism of the Russian ethnic majority that was geared at establishing a broader inclusivist patriotism. This laid the roots for what has emerged in the post Soviet context as specifically Russian nationalism (Tishkov 1997). Laruelle (2009) argues that since 1991 Russian nationalism has merely adapted to the changed circumstances and that all the main doctrines and ideological divisions had their roots in previously conflicting aspects of Soviet traditions; Russian nationalism should not be conceived as having been in opposition to the Soviet experience, but rather as a continuation of phenomena that existed within it.

The sudden and unexpected collapse of the Soviet Union in 1991 brought Russian nationalism into sharper focus, and raised the prominence of many of the key historical debates that had long been subsumed by the broader issues of Imperial and Soviet identity and worldview. Zevelev (2009) points out the co existence of two nationalist principles in today’s Russia, the ethno national and the supra national, with collapse of the USSR not resolving the “Russian question”, but rather giving it new impetus in political debates with the ethnic identity of Russians becoming more prominent as the imperial shell fell off. While ethnic Russians comprised only approximately 50 per cent of the population in the USSR, in the Federation they make up approximately 80 per cent and so now comprise the dominant ethnic group within their state for the first time in the last two centuries. Russian ethnic nationalism, Zevelev argues, has been given intellectual impetus through figures such as Alexander Solzhenitsyn (who challenged the supra national imperial traditions – Solzhenitsyn 1990), the deep economic crises of the 1990s, and the difficulties faced by ethnic Russians in the neighbouring states of the former Union. In 1991 Russians were confronted with a new set of geopolitical circumstances, and new ideological challenges.

In the early 1990s in the wake of the collapse of the USSR, much of the focus of both analysts and participants in the nationalist debates was on issues surrounding the reconstruction of Russian national identity and the civilisational debate on whether Russia would integrate more closely with Europe and the West (Sakwa 1994; Subtelny 1995; Urban 1996; Yavlinsky 2001; Yeltsin 1994) or evolve along its own distinct “Eurasian” lines based on its historical narratives surrounding the development of its empire and legacies surrounding invasions, religion and geopolitical
perspectives (Dugin 2000; Lebedev 1999; Solzhenitsyn 1990; Zyuganov 1995, 1997). Many studies of Russian nationalism have talked of its vague, or multiform, characteristics, and as Laruelle (2009, 2) points out are left floundering without an appropriate model of analysis. One of the main reasons for this is the broad variety of debates and perspectives on the question “What is Russia and who are the Russians?” and an equally diverse range of Russian groups reflecting those diverse opinions. In much of the literature there has been a tendency to categorise Russian nationalism in dichotomous terms such as left–right, radical–conservative, civic–ethnic, primordial–statist, and so on. Laruelle argues for a more inclusive conception of Russian nationalism, under stood simply as a system of thought in which the nation occupies the predominant position. One of the key reasons for this approach is to include the imperialist, ethnic and statist currents in Russian nationalist thought under one umbrella. Nation is included in nationalism and can be included in any vision of the broader collective whether it is political or ethnic (Laruelle 2009, 2–3).

Following Laruelle (2009), Russian nationalists are those who claim that Russia should be a state for the Russians, and that its future path should follow lines based on its own distinct civilisation, culture and ways of being. Nonetheless, nationalism and national patriotism have always been the most fragmented movements in Russian politics. From the many groups in post Soviet Russian nationalism that proliferated in the 1990s and 2000s, three major distinctions (ideal types) emerge regarding constructions of national identity, its bearing on the possible future directions for Russia and Russia’s relationship with its neighbours:

1 Russian ethno nationalism (Russkii natsionalism) is focused on defending the interests of the Russian people as an ethnos. Amongst its adherents are some of the more extreme right wing and neo fascist groups. It has not been used in the main by the governing elites from fear of generating ethnic tensions and further fracturing Russia’s weak state. However, there are increasing signs of it both being manipulated by the Kremlin and used in a selective and opportunist fashion where it suits particular political agendas. The danger for the Kremlin is the persistent “welling up from below” of extremist groups and their appeal to the younger demographic, in part due to their apparent sponsorship from the power elite.

2 Greater Russian (Rossiiskii) nationalism is based on restoring Russia’s borders to something resembling the USSR. In the context of post Soviet Russia it embraces the calls for reunification with Belarus, and parts of Ukraine and Kazakhstan where Russians are in the majority on both ethnic and cultural grounds (religion and language). Again this has been largely the province of opposition groups, although it has entered government discourse in terms of protecting the Russian diaspora in the former republics in the early 1990s, and the discussions around the union Treaty with Belarus in the mid 1990s. As such it is essentially statist, but also has an ethno national undercurrent.

3 Rossiyane nationalism is a civic construction, in that all nationalities within Russia’s borders have a common home regardless of ethnicity. Rossiyane also asserts the superior interests of the Russian nation by virtue of its being the majority. It is in essence the continuation of Soviet Russian patriotism but redirected to the new boundaries of the Russian Federation. Yeltsin, Putin and Medvedev have adopted many of its elements in the formulation of their official statist patriotism for the Russian Federation.

As well as these distinctions between types of contemporary Russian nationalism, there are competing themes of the “Russian idea”, and how to best formulate Russia’s national patriotic identity, its structures of government and geo political outlook. Again there are myriad different formulations of the “Russian idea”, but four in particular have had a bearing on both opposition and government in the years since the abolition of the USSR:
Statism (gosudarstvennost) is a theme amongst many Russian nationalists where the predominant role of the state is promoted and society is to be ultimately responsible to the state. The state plays the major role in the economy, but with some acknowledgment for private property rights. Furthermore, the authority of the state is not to be determined by minority groups.

Authoritarian democratism (sovereign democracy) resembles statism in that its adherents seek to promote a strong Russian state, but allow for the preservation of some individual rights and at least the semblance of democratic practice. Both these themes draw heavily on the historical traditional role of the strong Russian state in its society. But also, both fit the modern reconstruction of Russia within its current boundaries unlike the final two themes, neo Slavophilism and Eurasianism, both of which revolve around the question of Russia’s regional “civilisational” identity and geopolitical directions.

Neo Slavophilism (pochenichestvo) is based on the historical notions of Russia as the protector and homeland of all the Eastern Slavs (including the Belarusians and Ukrainians). Those promoting this theme seek to re-establish the union of these peoples within a Greater Russia. The foundation of this perspective and its differentiator from the outside world is the Orthodox Christian faith as the boundaries of the “true Russia”. The Neo Slavophile theme promotes traditional community values (sobornost) as well as the strong state, and Orthodoxy as the basis of Russian identity. It rejects the assumed universalism of globalisation and the inevitability of democracy and capitalism, and asserts that Russia has its own unique civilisation and way of being. A Russkii nationalism variant, neo Slavophilism sees the reunion of ethnic Russians in the post union diaspora in areas such as Crimea, and Donbass–Donetsk in Ukraine, Belarus, and parts of Kazakhstan as being the basis of a more viable and specific Russian state.

Eurasianism rejects Westernism (or Atlanticism) and its associated globalisation. It bases Russia’s identity on a unique mix of Eastern and Western influences, which distinguishes Eurasianists from the neo Slavophiles whose Slavic construction of Russia’s identity is purely European in emphasis. Furthermore, in its contemporary construction, Eurasianism argues that competition between the West and Eurasia is inevitable, and that Russia should position itself to maintain its separateness and uniqueness. Eurasianists hold that the parochialism of Russian nationalism and the centralism of the Russian state were themselves to blame for the collapse of the USSR. They advocate an approach involving the broadest possible political and economic inclusivism across the Eurasian landmass to guarantee Russia’s place in the world. This would build on its unique Mongol–Orthodox Christian heritage to counterbalance both the West and the Islamic challenge from the South.

(Dugin, cited in Shlapentokh 2001)

The problem for all specifically Russian nationalist groups has been how to generate uniquely Russian criteria for the nature and borders of the Russian state. There are major problems for example in determining whether Ukraine and Belarus are part of Russia; are all the Greater Russians really Russian? There are also significant problems in domestic terms within the Russian Federation for the ethno nationalist construction of Russian identity. How do you determine what is “Russia” when there are so many ethnic groups intermingled within its borders? Within the Federation there are no areas that are inhabited just by ethnic Russians. Attempts to find such boundaries have failed because they are left with a boundary map that involves numerous isolated enclaves stretching from the Moscow suburbs all the way to Siberia, a totally impractical prospect. Other formulations have involved basing Russian ethnic identity along broader lines around the Orthodox Christian religion, but these also involve restoring the union of the Eastern Slavs (Ukraine, Belarus, part of Moldova and possibly Kazakhstan), which is highly problematic for a
much weakened Russia to achieve. Not to mention that all of its former territories are well on the way to consolidating their own separate identities and states. As a result a much clearer divide has emerged between Russian nationalists seeking to re-establish a union of eastern Slavs in some format and those seeking to build a statist, civic formulation of Russian identity.

Tishkov (2008) identifies three main characterisations of Russian society and the state in contemporary debates. First, Russia is a multi nation state, which he argues makes it totally different from most other countries. Second, Russia is a state of ethnic Russians (Russkii) with a large number of ethnic minorities who can either identify themselves as “Russians” or acknowledge that the Russian ethnic majority rightfully enjoys the “state building” status. Third, Russia (Rossiya) is a national state featuring a multi ethnic (Rossiyane) Russian nation, underpinned by mutual language and culture, but also embracing members of other ethnic communities (defined in terms of peoples, nationalities, ethnic groups or nations). This final category which advances the notion of the Russian people historically as a “civic nation”, Tishkov (2008) argues, has been largely embraced by the Russian authorities, including Putin and Medvedev, and is accepted and supported by a large number of intellectuals and policy makers as the only feasible option for Russia. It is the Rossiyane construction that underpins the Kremlin’s official statist patriotic programmes.

**Official nationalism**

Official nationalism can be defined as including state approaches, discourses and ideologies outlined in Kremlin statements, presidential addresses, and domestic and foreign policy doctrines. It has strong functional continuities from the “official nationalism” practised in Tsarist Russia from the 1830s, as well as practices and policies during the Soviet period (see Okara 2007; Stent 2008). It includes the selective usage of symbols and rituals of power from both epochs, with examples ranging from the re-adoption of the Tsarist double-headed eagle under Yeltsin to the reworded Soviet anthem under Putin.

The prominence of nationalism—patriotism in Russian politics and society is in part a result of a deliberate policy whereby it has been managed and promoted from above by all presidential administrations beginning with Yeltsin’s second term. It is now manifest in such things as education programmes, military inductions, youth movements, political parties, media promotions, population programmes and state-sponsored searches for a rearticulated “national idea” – in short, across a large range of key social, cultural and political activities in contemporary Russian society. At the same time, in parallel and very much in conjunction with the evolution of the programme of “managed nationalism” has been the evolution of what was first termed by some “managed democracy” (Brown 2001; Yavlinsky 2001) and more recently by the Kremlin itself “sovereign democracy” (Surkov 2006, 2007), both of which are said to reflect essential Russian national values and traditions. Vladimir Putin, rejecting criticism of these developments, famously stated that “from the very beginning Russia was created as a super-centralised state. That is practically laid down in its genetic code, its traditions and the mentality of its people” (Putin 2000, 167–8) and that “a strong state is not an anomaly for a Russian, it is not something to fight against; rather it is the source and guarantee of order, the initiator and main moving force of any changes” (Putin 1999).

However, despite its prominence in contemporary Russian political activities, Russian official nationalism is not a unified phenomenon, nor is it a defining ideology. In fact an official state ideology is banned under the 1993 Constitution. Nonetheless, both Putin and Medvedev have engaged in the active promotion of the statist patriotic programme being implemented by their successive regimes across the spectrum of Russian society. Putin in 2000 outlined his “Russia at the turn of the millennium” goals, which were an unequivocal statement in relation to the need to
re-establish a modernised format of the “Russian idea” as an ideological basis for what were then future actions such as the reconsolidation of centralised political controls over the various regions of Russia, and tightening controls over the dissemination of information and opinion through the media (Putin 2000). What follows is intended as an analysis of the role and use of official nationalism by the Putin regime which all intents and purposes has continued to date under the Putin–Medvedev tandem.

Statism, combined with a distinctly authoritarian interpretation of democracy and a blend of civic inclusivist (Rossiyane) nationalism and Greater Russian (Rossiskii) constructions of identity, emerged as hallmarks of the Putin regime, and still underlie much of the official statist patriotic programme under Medvedev. Putin, like Yeltsin in his later years, made the search for a “national idea” a priority of his administration, and spoke of a “manifesto” for his regime based on three basic concepts: the “Russian idea” the strong state and an efficient economy (Putin 2000). Putin’s “Russian idea” was not just geared to restoring links to the past, but instead was intended as a forward looking action programme designed to bring cohesion and order to Russian society to allow further reforms and economic stability.

Putin identified four “traditional features of the Russian character”, which are the key components of his interpretation of the “Russian idea”, and which have provided the underpinnings of his approach as president to the issues faced by Russia:

1. **Patriotism**, which he claimed was regaining its positive connotation in contemporary Russian society, having been stripped of its imperialistic overtones (Putin 1999).
2. **Russia as a Great Power** (“Derzhava”), which Putin argued had long been part of the Russian mindset, but he stressed that the definition needed to be broadened to include not just military power, but also technological and economic power.
3. **The centrality of the state as the guarantor of order and force of change.**
4. **Social solidarity.** In Putin’s view there has long been a tendency towards collective forms of action in Russia (sobornost) that have prevailed over individualism. This translates, he believes, into a paternalistic streak in the Russian soul (Putin 1999).

Understanding these “realities” of the Russian situation are critical to Putin’s formulation and use of the “Russian idea”. In his statement in 2000 he stressed the need for the government to find an effective strategy for social consolidation and economic growth. At the forefront was the need to re-establish the rule of law in Russia through rebuilding a strong Russian state. In order to achieve this Putin sought to address the intellectual, moral and spiritual aspects of this agenda by invoking the “Russian idea”, much as Yeltsin had also endeavoured to do in 1996. But whereas Yeltsin had struggled to make any headway or impact with his search for a revived national idea, Putin in the 2000s had no such difficulty as there was clear evidence of the resonance of such ideas being expressed in both opinion polls and election results. Putin sought to identify a set of values around which people would instinctively and voluntarily unite, as the basis of his statist patriotic programme to ease Russia’s transition into the international free market system, and to provide guidelines for its future “democratic” development. The four essential characteristics Putin focused on were not intended to be a comprehensive depiction of Russians and their intellectual, moral and spiritual aspirations, but all have distinctly functional characteristics. Each of the terms Putin identified as Russian characteristics he redefined to make them more compatible with the agenda of modernisation that he wanted to set for Russia. In particular he wanted to address the role of the state head on, and outlined his “strategic vision” at the onset of his presidency. By this means, he intended to define what constituted appropriate efforts by the state in setting the tone and context of national debate.
Putin’s programme for rebuilding the state and establishing a “dictatorship of the law” involved four key elements: rationalising power, re-establishing controls of key economic and information sectors, restructuring political competition, and establishing a statist patriotic ideology. In doing so he has invoked many of the practices, structures and symbols of the preceding Soviet era, drawing much criticism for apparently reversing reforms, but at the same time succeeding in rationalising and stabilising what was a chaotic situation. The importance of the shift in the symbolic treatment of the “national question” under Putin should not be underestimated. In the early 1990s, the Yeltsin administration and the various liberal reformer groups had sought to distance themselves from the former Soviet regime; they were in power to replace it with a “westernising” democratic, free-market regime. They had largely ignored the issues of national patriotic symbols as well as the need to provide some form of consolidating the national idea for the new Russian state, although they did pick up on this during Yeltsin’s second term. However, by initially rejecting the Soviet and traditional Russian national patriotic formulations of identity, they allowed the communist and nationalist opposition groups to seize this ground as their own, casting the liberal reformers as anti-Russians bent on destroying the Russianness of Russia in their haste to integrate it with the West.

Putin was able to invoke positive collective memories of the Soviet era wherever appropriate in his programme of strengthening Russian national patriotic pride. At the same time as proposing that the Soviet anthem be restored (with modified lyrics), Putin wanted the red flag as the banner of the Russian armed forces reinstated. This was a move with enormous symbolic value due to the significance of the Great Patriotic War in Russian history, and the patriotic pride most Russians felt at the achievements of the Red Army in defeating Hitler’s Germany. Putin’s legislation on state symbols included an endorsement of Yeltsin’s choice of the Imperial double headed eagle and Tricolour national flag. He sought to combine many of the formerly disparate elements in Russia’s post-communist political debates, a delicate and, to date, seemingly successful balancing act. But the signals from the current Medvedev–Putin regime are mixed and, perhaps characteristically, exhibit the continuing confusion over what to take from Russia’s past, as well as what to make of its present and future directions.

The evolution of an official statist patriotic formulation of Russian nationalism in post-communist Russia has involved establishing a deliberate, pragmatic balance between historicising and modernising themes, whereby the regime has endeavoured to set the agenda for an acceptable socio-political dialogue (Laruelle 2009; Shevtsova 2007). The nature of that dialogue and just what constitutes “acceptable” is one of the key debates. Okara (2007) writes that the lack of a grand systemic project for Russia’s transformation is one of Russia’s key problems, with pragmatism and an emphasis on stability not in themselves sufficient to ensure social mobilisation or cohesion. Shlapentokh (2008) has argued that the Russian elite are acutely conscious that they are ideologically naked, which has promoted a sense of lack of legitimacy and a quest for ideas to motivate and consolidate the population.

**Nationalist groups in society**

The Russian authorities have an ambiguous attitude towards nationalism that is not regime-sponsored, and what emerges is an at times opportunistic and inconsistent policy of (often simultaneously) repressing and stimulating nationalism. The Kremlin appears to believe it can organise and control a mass patriotic movement (Shevtsova 2007). It has proved to be increasingly proficient at stimulating official nationalism through a variety of channels, particularly through its semi-official patronage of individuals, parties and groups, ranging from figures such as Zhirinovsky and Lebed in the 1990s, to Motherland in the early 2000s, and youth groups such as “Walking Together”,...
Nashi and United Russia’s youth wing Molodaya Gvardiya. The ambiguity is reflected in Molodaya Gvardiya, which has helped to promote a moderate “managed nationalism”, while at the same time tracking towards a more extremist and xenophobic outlook (Zarakhovich 2008).

Shevtsova (2007) argues that the Kremlin understands the risks of rhetoric and actions designed to mobilise the populace by identifying enemies and tries to reduce it to symbolic actions and rhetoric. The belief that the dark side of nationalism, including xenophobia and hate crimes, can be defeated essentially by depriving ultra nationalists of control of the nationalist agenda constantly risks creating demands which the Kremlin then has to control. Some salient examples of this are the “Russia Marches” that have threatened to hijack a centrepiece of the Kremlin’s managed nationalism programme, National Unity Day.

On 4 November 2005 Russians celebrated for the first time a new national holiday, National Unity Day, commemorating the liberation of Moscow in 1612 from Polish–Lithuanian forces by a Russian militia. Originally the creation of the public holiday had been intended to help restore national civic pride, and create a patriotic focal point replacing a day of high traditional symbolic value and significance in the Russian political calendar, the 7 November celebration of the Bolshevik Revolution in 1917. Following its creation, the Kremlin directed schools to conduct special sessions and the major TV networks were persuaded to run documentaries explaining its significance. But on the very first National Unity Day in 2005, and on every one since, Moscow, St Petersburg and some regional centres have witnessed the attempted hijacking of the event with “Russkii (Russian) Marches” on the part of a diverse range of extreme ultranationalist, white supremacist, Orthodox fundamentalist and Monarchist groups. Among the groups that participated were the Eurasian Youth Union (ESM), a branch of the Eurasian Movement headed by Aleksandr Dugin, the Movement Against Illegal Immigration and the National Statist Party, Pamyat. Many of the thousands that marched through central Moscow in 2005 shouted slogans such as “The Russians are coming” and “Glory to Russia, Glory to Empire”. ESM leader Valery Korovin was quoted in announcing to the Russkii March that, while in 1612 “our enemies were Poles and Lithuanian interventionists, today they are Atlanticists and NATO” (Yasmann 2005). Aleksandr Belov, speaking for the Movement Against Illegal Immigration, stated its members were participating out of concern over the “rise of ethnic nationalisms in Russia” (Yasmann 2005).

Belov’s statement highlights some of the ironies and dangers of the nationalism issue in today’s Russia. On the one hand, one witnesses an example of the Kremlin’s agenda of promoting an inclusivist managed nationalism through the creation of National Unity Day in an effort to re-link with selected elements of Russia’s past history, symbols, rituals of power and national identity, while on the other hand we see its expropriation by extremist xenophobic ultranationalist elements, many of which are promoting a line of “Russia for the Russians”. A poll in 2007 conducted by the Levada Center showed 55 per cent of respondents sympathised with the slogan “Russia for (ethnic) Russians” and 57 per cent thought “authorities should limit the flow of immigrants”.

Between 1992 and 2000, about 100 extremist national patriotic and radical right organisations came into being in the Russian Federation. Of these, 15 could be classified as fascist or semi fascist, and in 1995 about 10–12 agreed to being labelled fascist (Parland 2000, 122). Among the most prominent of the Russian “fascist” movements have been the Russkoe Natsionalnoe Edinstvo (RNE – Russian National Unity), Russkii Natsionalnyi Soyuz (RNS – Russian National Union), Natsionalno Respublikanskaya Partiya Rossi (NRPR – National Republican Party of Russia) and the National Bolshevik Party (NBP). All of these have operated as elitist paramilitary formations, using armed young men in uniform or camouflage with Russian Swastika armbands at their rallies and meetings. They have all had an active presence in Russian life through publications (Parland 2000), youth and community organisations, and street demonstrations.
Considerable attention has been devoted to the rise of the extreme right in Russian politics and society (see Laqueur 1994; Likachev 2002; Shenfield 2001; Verkovsky 2000). But as some commentators have noted, each time a complex political problem occurred during the early Yeltsin years, television channels in Russia had a tendency to focus on the marching Russian National Unity (RNE) Barkashov(ites) et al. with their swastikas on their sleeves. Some Russian commentators have argued that Yeltsinism had to have this image of threatening forces for its continued survival, and that the hysterical campaign against Russian fascism was not against the real Russian nationalist groups but, rather, the whole nationalist–patriotic and communist opposition by association (Lebedev 1999). The reality was that the extremist ethno national groups who argued for the supremacy of “pure blood” lacked a resonance with the broad majority of Russian people. Furthermore, they suffered another major disadvantage – that much of their ideology and symbology was copied from Western sources, rather than being founded on local intellectual traditions (Parland 2000). Despite this, the radical right movements in post Soviet Russia form a unique subculture. The majority of the ultra right supporters were very young, their average age being around 20, with many under aged (17 or less). This implies significant potential in the future. Supporters of the extremist groups were mainly in the large cities, and many were well educated (students), with a high degree of political awareness.

The first ultra right wing (Russia for Russians) movements appeared in the 1980s and early 1990s based on informal organisations. One of the most popular and most enduring of the ultra right groups in Russia was also the most disciplined, but also the least original in terms of its ideology (it was a thinly disguised variant of Nazism – Likachev 2002), the Russkoe Nationalnoe Edinstvo (RNE), under Aleksandr Petrovich Barkashov. By 1998 there were 64 local representative offices of the RNE within the Russian Federation, and each had over 1,000 local offices/departments, making it one of the then best organised national parties, only exceeded by the KPRF (prior to the emergence of Unity/United Russia). Figures regarding its membership vary enormously depending on the sources, ranging between less than 10,000 according to the Russian government, to over 300,000 according to its leadership, and between 15,000 and 70,000 active “fighters” and a similar number of sympathisers according to independent observers (Shenfield 2001). One of the keys to RNE’s success is that it built up a network of youth and sport clubs that ostensibly prepared people for military service and promoted an anti alcohol and anti drugs message. Local communities, regardless of whether they support the ideology of RNE, often support these clubs. In many instances the RNE clubs have provided services that the central government was either unwilling or incapable of providing.

Putin and Medvedev have both spoken out about the dangers of extremist nationalism in the last few years but legal efforts against xenophobic nationalism have been weak to date and there is always a risk of losing the nationalist agenda. Demands from the top can lead to demands from below. Kratsev (2007) argues that the Kremlin’s programme is not aimed at mobilising but rather controlling Russian ethnic nationalism and using it selectively. Despite the regime’s preference for “enlightened patriotism”, it provides little in the way of safeguards against the unenlightened variant. Additionally the influx of migrants to big Russian cities has provoked the spread of xenophobic attitudes and extremist groups which present an additional challenge for the Kremlin. Reports in 2008 from the Sova Center (which monitors ultranationalist and xenophobic activity) showed no less than 525 people were the victims of racist and xenophobic violence, 97 of whom died. Figures from the Sova center covering the period 2004–07 show a steady increase in racist–xenophobic attacks across Russia (Kozhevnikova 2008).

While all the extreme ultranationalist groups are likely to remain as fringe elements in the foreseeable future, they do and have had an impact on the political themes and experiences of society. Their views were widely disseminated and they have continued to attract
disproportionate numbers of disenchanted youth. It is noticeable how they have triggered a reaction amongst the political elites to both counter and adopt the ethno national sub current for their own purposes. The Russian Right has become a more important and growing ideological power, with a loyal supporter base cutting across all the major social groups in Russian society. While the majority of Russians find the fascist movements distasteful, these ethno national constructions of identity form an important part of the current nationalist mood. The differences among the main groups in the “ultra national patriotic” bloc are relatively insignificant. None of this sentiment is closely linked to particular party programmes but is more generally diffused across Russian society, found in the activities and programmes of many political groups and leaders. At the core of the rise of nationalism in the new Russia are the ostensibly (to Russians at least) non ethnic constructions of identity revolving around the debate between those wanting a restored Greater Russia in some form versus those favouring a statist civic construction (Putin and Medvedev’s statist patriotism) within the boundaries of the Russian Federation. In both cases they contrast with the relative newness of the ethno nationalist approach for Russians in that they draw on historical themes and well established practices. The appeal of themes promoting the restoration of Russia’s greatness, its state, and law and order have grown steadily.

Conclusion

To date at least, successive administrations have sought to use the statist patriotic platform and agenda to establish an inclusivist civic formulation of Russian identity and build a stable state structure around that identity, enabling Russia to better integrate with the global economy. In this context it marks a departure from traditional constructions of identity and roles for nationalism in Russia’s development. These were fundamentally isolationist and anti Western in nature. Putin’s application of Russian nationalism can therefore be seen to be forward looking, although much in the construction of its identity inevitably draws on the collective memories of its historical evolution. The collapse of the USSR forced Russians to construct a new national identity and state, and while nationalism has been instrumental in the emergence of a more authoritarian pattern of governance, it has not led to a complete rejection of democracy or of capitalism, or to an overtly isolationist world view. In fact, if (as currently appears to be the case) Russia is successful in stabilising in its new guise as an inclusivist non imperial federated republic, with at least some degree of democratic processes, it marks a significant transition towards a more modern (civic) construction of national identity and political organisation as found elsewhere in the world.

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There is hardly any sector in Russian state and society which has undergone such radical changes in public perception as religion: suppressed and widely ignored in the Soviet Union, religion and especially Orthodoxy has become one of the most respected elements in contemporary Russia. In Russia, religion has a positive connotation which it has lost in most other modern industrial countries. And it is very much present in the public sphere; this is shown by a glance in almost any street scene in a Russian city or on the skyline in most towns, which has changed considerably because of the construction of new churches.

Religion is a complex phenomenon which affects the most intimate feelings and convictions of an individual, but which also has a societal aspect; in most religions the adherents join groups, communities which tend to act publicly and to affect the society in which they live. Religion shapes societies and states, and in most countries there is an interaction between the structures of the state and religious organisations. This interaction changed in Russia dramatically after the end of the Soviet Union.

This chapter will examine the main religious communities in Russia, their state and their influence, but it will concentrate on the largest and most important, the Russian Orthodox Church (ROC).

**The situation of religious communities**

The Soviet Union was a state with a communist and materialistic ideology which involved an atheistic attitude towards religion; belief was something which would disappear by itself when people became educated and emancipated from superstition. The “servants of the cult”, the name for church ministers, had been cooperating with the Tsarist regime and were regarded as enemies of the working class. In the years before World War II, religion was persecuted in a cruel manner. Thousands of priests, monks and nuns were killed, and almost all churches were closed. On the eve of the war, there were merely 500 churches open for worship, compared with 50,000 before the revolution.

However, the anti-religious campaigns of the 1930s did not result in what was hoped for by the authorities. Surveys showed that religiosity among Soviet citizens was still much higher than expected. This became important after the German attack on the Soviet Union. The leading personality of the ROC, Metropolitan Sergii, called on the faithful to stand up against the Nazis and to defend their homeland, and he did so days before Stalin’s public statement on the outbreak of war. The Soviet government understood that they could not fight the ROC in a time when they needed every kind of support, and the Church was grudgingly rehabilitated. After the war,
the attitude of the state towards the ROC changed. The Church was allowed to continue to operate, but in a very narrow framework. They could start to train priests (candidates had to be confirmed by the state authorities), to print some books and a journal (under strong censorship), and to maintain contacts with other churches abroad (but representatives who travelled to such meetings had to defend Soviet politics and to praise religious freedom in the country). No new churches could be built, no kind of religious education was allowed (except in private), and all major decisions had to be checked with the respective state authorities before being published or realised.

All this changed with perestroika in the late 1980s and the subsequent collapse of the USSR. Religion was no longer regarded as a hostile force, and individual rights were respected, including the right of exercising one’s religion freely. A period of rapid change and of growth in the public appearance of religion began. Many people became interested in the religious traditions of the pre-Soviet era, many churches were built, church buildings which had been expropriated and used for other purposes were given back to the ROC, and the Church could engage in virtually unlimited publishing and in training clergy and laypeople, so that an almost forgotten aspect of Russian culture and lifestyle came back to life again. Priests in cassock were seen in public and greeted respectfully, services in churches were overcrowded and religion gained a positive connotation (Knox 2004).

There are a variety of reasons for this development. Religion was an alternative to the ruling ideology in the Soviet Union. People who were looking for another kind of understanding of the world than the one prescribed by the regime frequently came to religion. Among dissidents, from the 1960s on there was a growing interest in Orthodoxy, regardless of the fact that the official ROC did not support any kind of dissidence in the Soviet era. In addition, after the collapse of the communist regime, there was an ideological vacuum. Many people tried to fill it with religious faith as they perceived religion as a positive relic of the period before the revolution, and as something which existed normally in Western countries. And in this context, for a lot of people religion served as a tool to create or to underline their identity (Clarke and Reid 2007). Orthodoxy was and is the traditional religion of ethnic Russians, and it could act as marker distinguishing Russians from Catholic Poles, Muslim Tatars and Jews. This function of religion, the confirmation of national identity, became prominent.

It is very difficult to give exact data about the religious communities in today’s Russia. However, the ROC is without doubt the largest of them. The Church does not have evidence on the number of its members,¹ but it regularly publishes the number of parishes. As of February 2010, the ROC has in the Russian Federation 30,142 parishes.² This compares with 40,000 parishes before World War I on the territory of the Russian Empire and 6,742 parishes in 1986 on Soviet territory. The number of monasteries and convents grew from 16 in 1974 to 788 in 2010, while surveys have shown that between 50 and 80 per cent of the population consider themselves to be “Orthodox”. The ROC is omnipresent in the country. Representatives of the Church appear on TV and in other mass media, the Patriarch as the leader of the ROC is one of the best known and most popular personalities in Russia, and the Church intrudes into almost all structures of state and society (see below). The situation of the Church certainly changed dramatically at the end of the twentieth century.

The second religious community is Islam. It is confessed almost exclusively by members of nations within Russia which have traditionally belonged to the Muslim sphere, like Tatars, Bashkirs and Chechens. The question of membership arises here in the same way as with the ROC. Almost all will declare themselves as “Muslims”, but most are likely not to actually practise Islam. In most cases, it means the traditional belonging to a culture which is characterised by Islam. Therefore, the data of 5.6 million Tatars, 1.7 million Bashkirs and 1.4 million Chechens can only
approximately show the dimensions of Islam in Russia. In this data, which derive from the 2002
census, non believers or people who converted to another religion are included, but citizens of
other predominantly Muslim countries (like Kazakhstan, Azerbaijan, and others) who live in
Russia are not included. However, there are no other data available, so that the percentage of
Muslims in Russia must remain unclear.

All other religious groups are of minor size and influence, and like Orthodoxy and Islam, are
linked to ethnic groups. The Roman Catholic Church has several hundred thousand members.
Most of them are of Polish, Lithuanian or German origin. The Catholic Church has tried
intensively to rediscover the religious roots of such people, many of whom live throughout the
country, especially in places in the Far East where their ancestors were banished in Soviet times.
This creates tensions with the ROC, which has regarded such missionary activities as “proselyt
ism” and which reacted harshly when the Holy See restructured the Catholic dioceses in Russia in
2002 (Bremer 2003).

Protestants in Russia can be divided into three groups. Lutherans of German origin belong to
the “Evangelical Lutheran Church in Russia, Ukraine, Kazakhstan and Central Asia”. Those with
a Finnish or Estonian background belong to the “Evangelical Lutheran Church of Ingermanland
in Russia”. There are also Baptists, Mennonites and other Free Churches. They are partly
organised in umbrella associations, but due to the tradition of dissidence in Soviet times, not all
of them belong to those associations. The number of Protestants in Russia is relatively small,
several hundred thousands.

In addition to the Christian denominations, we find as small minorities Jews and Buddhists.
The Jews count in the 2002 census 0.16 per cent, after the emigration of hundreds of thousands to
Israel and to Western countries in the last decades. Only a small percentage of them are religious,
so that here also the data have to be treated cautiously. Jews have 171 communities in Russia.\(^3\) The
data problem occurs also with the Buddhists, who live predominantly in Siberia and who
traditionally exercise a Tibetan variant of Buddhism. Today, there are maybe 700,000
Buddhists in Russia. Among them, there are Kalmyks, Buryats and members of other ethnicities,
but also some Russians who have converted to Buddhism, especially in big cities.

In 1997, a law on religion was adopted in Russia (“Law on Freedom of Conscience and
Religious Associations”; see Basil 2005; Codevilla 2008). It replaced the liberal law from 1990. In
the 1997 law, four religions are described as “traditional” and enjoy certain privileges. These are
“Christianity” (in fact Orthodoxy), Islam, Judaism and Buddhism. The law required 15 years of
legal existence for religious communities in order to gain status as a full legal entity, a requirement
which was impossible to fulfil for all non legal or semi legal religions in the Soviet Union. This led
President Yeltsin to veto the law, but he could not prevent the Duma from passing it, and in the
end he signed it. The restrictions in the law were aimed above all at “sects”, religious groups
mostly from the United States or South Korea which tried in the 1990s (with the substantial
mobilisation of finances and staff) to gain ground in Russia. However, the government had no
“master plan” to fight sects or other Western religious communities, and the restrictions were not
used systematically. Nowadays, most sects in Russia are of Russian background. The non
traditional Christian communities deplore the restrictions exercised against them on the local
level, mainly do with the lack of permission for the constructions of buildings.

Given the absence of reliable data on members of religious communities, the best way to gain
insight into religion in Russia is through surveys on religiosity. Several such surveys have been
undertaken, with different aims and different results (Turunen 2005; Daniel 2007; Kaariyainen and
Furman 2007). Some focus exclusively on Orthodox believers, and frequently questions of a
“Western” type are used, like the frequency of attendance at services, or whether a person owns
and reads the Bible. However, there are also some surveys which try to detect the difference between
the self description as religious (or as “Orthodox”, etc.) and a religious belief or practice. Such research usually brings interesting results (Krindatch 2006). There is a high percentage of Russian Christians who belong to the ROC because of their inner conviction, who share the doctrines of their Church and who act mostly according to the prescriptions of Orthodoxy. But there are also people who declare themselves Orthodox but who would not believe in some of the essential doctrines of Christianity (like the existence of God), and who would not practise anything one would usually expect from a Christian (pray, attend church, observe ecclesiastic rules, etc.). Many people who believe in God and declare themselves as Christians would also positively answer a question on the need for fasting, but when one asks whether they keep fast during the Lenten season or on Wednesdays and Fridays, as is usual in Orthodoxy, it turns out that only a small percentage actually fast. A similar divergence can be found in questions like prayer (“it is good to pray regularly, but I do not pray”), church attendance and others. For them, obviously, the confession of their Orthodoxy serves another purpose, like the confirmation of their ethnic belonging. Religion is here an identity marker. As long as Orthodoxy is regarded as the default religion for Russians, confessing Orthodoxy means also confessing Russianness.

Religious belonging in contemporary Russia thus has to do a lot with identity and, at the individual level, maybe not so much with faith and conviction. But what role does the ROC play in state and society?

Church and state in Russia

In the two decades after the end of Soviet Union, the ROC has been trying to work out its attitude towards the Russian state, and the state itself has been seeking to formulate an appropriate attitude to religion in general, and to the ROC in particular. In the Constitution of the Russian Federation there is a clear distinction between the two spheres. Article 14 is very short and very clear: “1. The Russian Federation is a secular (‘svetskoye’, lit. ‘worldly’, ‘earthly’) state. No religion may be established as a state or obligatory one. 2. Religious associations shall be separated from the State and shall be equal before the law.” The giving of any preferential treatment to a religious conviction or a community is inadmissible, according to the Constitution. However, it can be clearly seen in reality that the ROC plays a special and exclusive role in Russia. How can this be explained?

Russian Orthodoxy derives from Byzantium. Medieval Rus’ took over from the Byzantine religion not only the faith and church structure, but also a concrete model of state–church relationship (in so far as the word “state” can be applied for medieval empires). The traditional expression for this kind of relationship is symphonia; state and church were seen as a symphony, like two tones which form together the same melody. The entities were not regarded as separate but as combined, in order to work for the common good of the state (which could not be thought other than Orthodox). A vivid proof of this relationship is the fact that several times in Byzantine history a high state official (e.g. the head of the Imperial Chancellery) became patriarch; he was no cleric and had no special church education, so he was ordained deacon, priest and bishop within several days and was installed as the leader of the church. Russia inherited this model, and in Russian history such a close relationship can also be seen. The absolute control of the state over the church after the Petrine reforms, and even the brutal persecution of the ROC after 1917, can be interpreted in terms of the lack of distance between state and church.

In the time of perestroika, and in the years of independent Russia, this model of symphonia served as a pattern for how to construct the relation between these two factors. Representatives of the church frequently understood their role in strengthening and stabilising the state, as providing moral foundations for the new Russia. This attitude grew even stronger in the succeeding years;
for the first time, doubts among leading clergymen could be found about whether the Russian Federation was desirable at all; in recent years, however, a clear acknowledgement of Russia and the conviction that the ROC has the task of contributing spiritually to the well being of the state has become dominant.

How does this look in concrete terms? In every state with a significant Christian tradition, there are res mixtae, issues of common interest. The most prominent of these are pastoral care in the army, in hospitals and in prisons, religious education in schools, and the role of religious communities in public institutions like media or in state events. When analysing these relations, we see a mutual movement of church and state towards each other. Both sides obviously were interested in the ROC having a certain influence in these areas. Thus, the ROC established already in 1995 a department for pastoral care of soldiers and prisoners. Priests who were interested in such activities could approach an army unit and eventually the soldiers, depending on the permission of the commanding officer. In most cases, the priests were admitted, although there is no legal ground for (or against) the presence of priests in the armed forces.

Another important field is religious education in public schools (Loya 2006). According to the Constitution, any such instruction should be impossible. However, in the first year after the end of the Soviet Union, priests frequently were invited to come to schools to talk about Orthodoxy. This was not done systematically, but depended on personal relations at the local level. Officially, no religious education in schools could take place.

After some years, a course called “Foundations of Orthodox Culture” was developed, with the active participation of the ROC. This was not to be confessional instruction (i.e. catechetical lessons by Orthodox teachers to Orthodox children) but rather an introduction to Russian culture, which was perceived as mainly Christian. Therefore, this discipline was intended to be for all pupils, regardless of their religious convictions, and was to be taught by teachers who were trained in the university discipline of “culturology”. However, the textbooks used (and permitted by the state authorities) had a very strong emphasis on the doctrines of the Orthodox Church. There was almost no critical attitude towards myths and legends, and pupils without faith or of a Muslim, Catholic or Protestant background could hardly identify themselves with what was proposed to be taught in these lessons.

A course on “Foundations of Orthodox Culture” had also been installed in 1992 as a compulsory class in the first courses of all universities, in some ways replacing the classes on Marxism–Leninism or on “Dialectical Materialism” which had been obligatory in the Soviet period. Frequently, the former professors of materialism and atheism became the specialists in culturology. The argument of the ROC (also used by representatives of the state) for the introduction of such a course in schools was that Russian culture was strongly marked by Orthodoxy, and every state had the right to teach children their cultural background. However, the Church was not able to make “Foundations” a compulsory discipline in the school curriculum. It was taught in many schools, predominantly in the Western areas of Russia, as an elective course, and attendance seems to have been lower than expected by Church authorities.

President Medvedev announced in 2009, after an initiative launched by the heads of several religious communities in Russia, that from 2010 on there should be regular and confessional religious education in Russian schools, for an experimental phase of three years and in 18 regions, but with the option of spreading it to all the country in 2012. Pupils can choose between Orthodox, Islamic, Jewish and Buddhist instruction (the four religions mentioned in the 1997 law as “traditional”). Additionally, there would be electives in “History of World Religions” and “Foundations of Secular Ethics”, foreseen as non confessional and “neutral” in nature. Interestingly, the President stressed the constitutional division between state and religion in Russia and said that only secular teachers would conduct the lessons. As the main purpose of
this idea, he said: “We must nurture upright, decent, tolerant, honest citizens who are interested in the world and who respect the views and beliefs of their fellow citizens.” However, initial experience shows that even in regions with a high percentage of ethnic Russians among the population, relatively few pupils (or their parents) chose the Orthodox variant of religious education; twice as many decided to attend the world religions history class.

These examples show the close inter relationship between the ROC and the Russian state. The state, obviously, seeks to get the church as a bond which helps to keep the country together, an instrument which can offer ties or common values. In Western countries, such ties would be regarded as the task of society, not of the state. Therefore, it is interesting and important to see the role of the ROC in Russian society.

Church and society

In addition to the close link with the state, the ROC has a stable position within Russian society. This can be seen in the censuses quoted above, which show that even people who do not believe in God have trust in the ROC as an institution and regard the ROC as an important part of society. In Russia, autonomous society developed quite late; therefore both actors – state and society – are in a close interconnection even today. The leading role the Church plays in the state is founded on a very high reputation is has in the population.

The high standing of the ROC enables it to occupy positions on issues of common interest and to represent them in Russian debates. Sometimes, it publishes documents on such issues and participates in the public discourse. Another way of intervening is via statements of well known theologians on any theme. The two best known of these are probably deacon Andrei Kurayev and archpriest Vsevolod Chaplin. Kurayev, a professor at the Moscow Theological Academy and several other educational institutions, is a famous personality in Russia. He is active in many ecclesiastical bodies, presents programmes on TV and radio and maintains a website (http://kuraev.ru/). His statements on public themes, even on issues which are not directly connected to the Church, have a broad audience, and are frequently quoted as statements of “the” Church. Since 2009, he has also been chairman of the editorial board of the school textbook for “Foundations of Orthodox Culture”. Kurayev himself regards and describes his activities as “missionary” work, and he was decorated by the ROC with respect to his missionary work. Although Kurayev’s views are disputed by secular scholars and public figures, he nevertheless enjoys high respect in Russian society.

Archpriest Chaplin was for several years Deputy Chairman of the Department for Foreign Church Relations. After the election of Patriarch Kirill in January 2009, the Department was re organised (the newly elected Patriarch had been its Chairman before and obviously had a particular view of the ROC administration), and Chaplin became Chairman of the newly founded Department for Social Relations. In this capacity he gives statements on almost every issue in Russia which has any connection with the Church. He represents much more than Kurayev, as it is his function to articulate the official opinion on all issues. Like Kurayev, he is frequently seen in the mass media, and he has published books of his statements and texts.

These two examples reflect the public role of the Church in Russia. Although there is no official place for ecclesiastical statements in the state structure, these men and their positions are highly respected; no politician could afford to contradict them publicly without suffering a considerable loss of influence and reputation. The surveys quoted above also show the trust which the ROC enjoys even among people who are not religious.

The highest level of policy making in the Church is the full assembly of bishops. In 2000, this body adopted a text called “Foundations of a Social Doctrine of the Russian Orthodox Church”.7

Thomas Bremer
This document was doubtless influenced by two phenomena, one of them being the Roman Catholic tradition of a Social Doctrine, the other the frequent requests to representatives of the ROC in ecumenical encounters to explain the teaching of their Church on certain questions of the social and political spheres. It is quite unusual for Orthodox Churches to publish texts on such issues, so this case is a definite precedent.

The document contains 16 chapters and speaks to almost all aspects of social life and ethics, including questions of state and church, nation and church, human labour, war and peace, economy, family, death penalty, bioethics, and contraception. It gives explanations of the ROC’s position, mostly in a biblical and traditional context. Special attention is paid to the area of state–church relations, since the ROC has frequently been accused of being a state church or maintaining an improper relationship with the state. The text affirms the Byzantine tradition of symphonia and underlines the duty of the state to protect religious freedom. Remarkably, it postulates the right of Christians to resist state authorities if the latter urge believers to do things which do not correspond to their conscience. The Church claims the right in such cases to call for resistance to the state.

It is hard to say to what degree this document influences the life of the ROC and its position within the country. One gets the impression that it is primarily used for interdenominational purposes and does not play a great role in the country. Nevertheless, it can be regarded as an authoritative statement of the ROC on these issues. The document was drafted in the Department of Foreign Relations, with Archpriest Chaplin as one of the main drafters. This reflects the degree to which its production was prompted by the ROC’s contacts with Western churches.

Another document was published in 2008. It enjoys the same degree of authority since it was also adopted by the bishops’ assembly, and it is described as being part (a “follow up”) of the social concept of the ROC. Its main issue is human rights. This is a delicate question since representatives of the ROC have frequently stated that Orthodoxy in Russia has another concept of human rights (and of the human being in general) to that common in the West. This sceptical approach includes a reluctance about democracy, individualism, liberalism and similar phenomena of a modern society, and a preference for monarchy (Turunen 2007). The stance of the ROC is that the human person finds fulfilment not in competition (which is understood in democratic procedures, elections, etc.) but rather in agreement and harmony. The community is always above the individual, societal rights are much more important than individual ones, and a person reaches his or her final determination not by realisation of personal wishes and desires, but rather by incorporating himself or herself into a common body. Such ideas are very close to the concepts of the Slavophiles of the nineteenth century, and they are prevalent among many representatives of the ROC. It is understandable that positions like this easily come in conflict with what is said in Western churches, let alone the ideas of modern liberal societies. They include also the understanding that tolerance towards homosexuality is an expression of these Western values, of posing individual rights (to express one’s own sexuality) above collective rights (the right of society to have “normal” families for the purpose of reproduction).

This attitude has led to tension in the ROC’s ecumenical contacts, especially with the Protestant churches, and to a certain (self-)isolation of the ROC in the ecumenical movement. ROC representatives say they cannot maintain normal contacts with churches which accept gay ministers, which ordain women or which bless homosexual partnerships. In addition, the paper on human rights led to a debate with the “Community of Protestant Churches in Europe”, an association of more than 100 European Churches, mostly Lutheran or Reformed. There are various other indications that ROC relations with other churches are deteriorating. The concept of a “canonical territory” which the ROC claims (comprising all of the former USSR except Armenia and Georgia, which have their own Orthodox Churches) has also led to tension (Oeldemann 2008).
The relationship with the Roman Catholic Church is better. There have been attempts to build up a “strategic alliance” with the Catholic Church, especially after the election of Pope Benedict XVI. They are almost completely based on the conviction that both churches agree on ethical issues, when most Protestant churches, allegedly, have already left this common Christian base.

Many of the convictions discussed above resonate strongly in Russian society. The ROC is not an isolated institution with old fashioned positions, but is in the mainstream of public opinion. One cannot say only that the church influences (or tries to influence) society in a conservative direction because both are complementary to each other. The ROC acts in an environment in which its positions are widely accepted.

Conclusion

The recent history and the current situation of the ROC in Russia can be seen from different perspectives: its inner development, its relation to the state and its relation to the “world”. In its inner form, the Church has undergone a radical change and a firm stabilisation. It has been able to establish a broad range of activities, and it has obtained a stable structure, with 160 eparchies (dioceses), more than 30,000 parishes and almost the same number of priests. The ROC has schools and other institutions for the training of clergy on all levels (from seminaries to universities), and in almost every parish there is a Sunday school which helps adults and children to get better acquainted with the doctrines and habits of the Church. These efforts have led to the existence of a layer of people in society, mostly intellectuals, who are interested in Orthodoxy and well educated in church matters. The “neophytes” no longer play the role they played immediately after the end of the Soviet Union. The ROC is widely accepted in society, regardless of the fact that church attendance is quite low.

The position of Russian Orthodoxy cannot be seen outside the political context. It is not a state church, and the relationship with the state is not simply a repetition of the symphonia model (which anyway can hardly be applied to modernity) (Willems 2006). The Russian state has changed radically in the past 20 years, and the ROC has tried to adapt to these changing circumstances. It was led by its historical experience of the last few centuries: complete state control since the early eighteenth century, bloody persecution after the revolution and massive restriction after World War II. The ROC was not prepared for life in a plural society; it had no experience of existing in such a context. The state, on the other hand, used the ROC in the first stage to confirm the national identity, and later the Church became a part of the system of “managed democracy”; it has a privileged position and serves the state as part of the civil society in the way this term is understood by the Russian authorities.10 One must be aware that in Western democratic societies there are completely different models of church–state relations. The USA with its principle of separation (in a highly religious society), the United Kingdom with its state church and Germany with a system of narrow cooperation are only a few examples of these models. Therefore, it is difficult to judge the Russian model, which obviously has not yet come to the end of its development. However, the Church is in a position it had never previously had in its history.

The ROC has a critical attitude to many things, which can be summed up as a sceptical attitude towards modernity. It rejects many developments which have occurred in recent decades and even recent centuries as not fitting into the order of things given by God. Although not all representatives of the Church stand behind such positions, nevertheless the vast majority of the clergy and above all the bishops defend them; dissenting priests are mostly outsiders. For modern democratic societies especially, the ROC’s attitude towards democracy and human rights are hardly acceptable and need further discussion and clarification. Russia itself is becoming a modern industrial country, and its population is being more and more confronted with all that modernity brings. As the ROC
enjoys such a high reputation, there will be an increasing gap between the official standpoints of the Church and the solutions that individuals find for concrete cases. Surveys already show the discrepancy between respect for ecclesiastical norms and individual behaviour. This tension will rise, and the ROC will have to find new answers to new questions if it wants to retain the significance it has today in Russia’s future society.

Notes

1. Anyway, it would be very difficult to define what is to be meant by “member”: churchgoers, believers, baptised, active parishioners—these numbers would massively differ from each other.

2. See www.patriarchia.ru/db/text/1061651.html (accessed 5 August 2010). One must add that thousands of these parishes are in the “Near Abroad”, especially in Ukraine and Belarus, and hundreds in other places of the world.


4. This can be seen in the fact that in both coups d’état, against Gorbachev and against Yeltsin, Orthodox bishops could be found on both sides. Other high-ranking Church officials deplored the loss of the Soviet Union and could not come to terms with the fact that millions of ethnic Russians now lived outside Russia.

5. The best-known and most quoted example here is the president’s inauguration; the presence of the patriarch is frequently noticed critically. However, in several other countries, high representatives of the religious communities are also present at such events (in Germany, at the election and inauguration of the head of state, at the opening session and other prominent meetings of the Bundestag, etc.).


10. I owe these thoughts to Petra Stykow (Munich) and her paper at the ICCEES World Congress in Stockholm, July 2010.

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Health and health policy

Judy Twigg

Russia’s health and demographic situation since the fall of the Soviet Union has been widely characterised, both within the country and in the West, as a “crisis” (Atun 2005; Parfitt 2005; Gerber and Mendelson 2005; Eberstadt 2010), a “disaster” (Shah and Eberstadt 2009), and a “catastrophe” (Rutkevich 2004). Yet recently, Russian government officials have been trumpeting what sounds like a symphony of improving health and demographic trend:

- The Russian population rose rather than fell in 2009 for the first time in decades, prompting Prime Minister Vladimir Putin to declare that its size has become “stable” at around 142 million. In September 2009, the Ministry of Health and Social Development reported that Russia recorded natural population growth for the first time in 15 years, with 1,000 more births than deaths in August.
- Life expectancy has increased by three years since 2005, from 66 to 69 overall.
- The overall mortality rate declined 4 per cent in 2008 from the previous year, and by a further 3 per cent from 2008 to 2009. The number of total deaths fell 1.8 per cent in the first half of 2010 compared with the same period in 2009.
- Infant mortality has fallen by one third in the last five years, from 11.0 deaths per 1,000 live births in 2005 to 8.2 in 2009.
- The number of babies born in Russia in 2007 was the highest since 1991, with about 120,000 more births registered in 2007 than in 2006, and growth has continued ever since. In 2009, the number of births was 2.8 per cent higher than in 2008. This “baby boomlet” is spurring a new market for children’s products, now worth $14.5 billion and increasing by 15 per cent annually. (Anderson 2010)

The picture is still, of course, not uniformly positive. On virtually every indicator, Russia lags far behind its European neighbours (Eberstadt 2010). The growth in births is unsustainable, with the number of women of childbearing age set to decline sharply, starting in about five years. Continuing widespread abuse of alcohol and tobacco, impacting disproportionately the working aged male population, results in alarmingly high rates of cardiovascular disease. Infectious disease, while still causing a small minority of all deaths, remains a looming threat, with multi drug resistant tuberculosis emerging as an increasing percentage of new TB cases, debate continuing to rage about whether HIV/AIDS is transforming from a concentrated to a generalised epidemic, and hepatitis co infections attracting attention as a serious but previously neglected problem.
Nevertheless, the health of the Russian people looks better today than at any point in the post-Soviet period. What are the factors underlying the negative health and demographic trends of the last several decades, and what are the prospects that the seeming recent turnaround is real and sustainable? Can government policy rightly be credited with the last couple of years’ worth of progress?

Russia’s health and population status

Although there has been a slight rise in the last few years, life expectancy for a man in Russia hovers around 60 years of age, compared with 75 in the United States and 77 in the United Kingdom. Russian men are almost four times as likely to die between the ages of 25 and 64 than their counterparts in England and Wales (Bobak et al. 2004). The probability that a 15 year old Russian boy will die before he reaches the age of 60 is over 40 per cent, about 16 percentage points higher than in Brazil, double that in Turkey, and quadruple that in the United Kingdom (Suhrcke et al. 2007). Unless something changes dramatically, the still high death rate, combined with fertility still well below that needed to sustain current population levels, could shrink Russia’s current population by a third over the next 40 years (Parfitt 2009a).

Russia is virtually unique in experiencing these kinds of population dynamics. As a relatively rich country, its people should be healthier. Globally, population health generally tracks with income and development level, with a simple plot of adult male mortality against GDP per capita showing data points clustered around a straight line — the higher the GDP, the lower the mortality — and just a few glaring outliers: countries that have been absolutely ravaged by HIV/AIDS (Namibia, Botswana, South Africa, and Swaziland), and Russia (whose death rate from HIV/AIDS is negligible).

Cardiovascular disease

Most of the premature death and disability in Russia is caused by non-communicable disease and injury that could be avoided through changes in personal behaviour and relatively inexpensive detection and management of risk factors like hypertension and diabetes. The seminal report on this subject to date — the World Bank’s 2005 Dying Too Young — estimated that cardiovascular disease, cancer, and injuries cause 78 per cent of deaths in the country. Russia (along with Belarus, Ukraine, and the countries of Central Asia) has the highest coronary heart disease (CHD) mortality rate ever experienced, significantly higher than the prior peaks of now-declining CHD epidemics elsewhere in the world (Mirzaei et al. 2009). Russia and other former Soviet states are maintaining CHD mortality rates at a high level without precedent, while every other area of the world (including most former non-market economies in Central/Eastern Europe and Latin America) shows a decline (Levi et al. 2009).

Alcohol abuse

The puzzle for Russia is therefore why the last decade’s significant and undeniable improvements in socioeconomic circumstance have not produced the gains in life expectancy, mortality, and other health indicators that would be expected, given precedent in other parts of the world. What makes Russia different? The answer probably lies (at least in part) in Russia’s unique relationship with the vodka bottle, and in the impact of excess alcohol consumption on death from cardiovascular disease and other causes. Abuse of alcohol and its direct consequences kills an estimated 600,000 Russians annually (Parfitt 2009b). Russian Ministry of Health data suggest that Russians drank, on average,
15 litres of alcohol per person per year in 2009, compared with 9.5 in the OECD countries and 8.4 in the United States – down from 18 litres across the period 1992–2008 (Ministry of Health 2010). A 2007 study found that 43 per cent of all deaths in men aged 25–54 in Izhevsk during 2003–05 were due to alcohol (including non beverage alcohol such as colognes, anti freeze, and the like) (Leon et al. 2007). Overall, in the absence of alcohol, it is likely that mortality in Russia among middle aged men over the last decade would have been similar to mortality among middle aged men in Western Europe (Nemtsov and Terekhin 2008a, b; Zaridze et al. 2009).

It is important to understand that the patterns of drinking in Russia appear to differ significantly from those in other societies. Generally, epidemiologists measure alcohol exposure by multiplying the usual frequency of drinking occasions by the usual quantity per drinking occasion. While this indicator – which focuses on average consumption over time – is relevant for understanding some chronic disease outcomes, such as cancer or cirrhosis of the liver, other measures are more relevant for the kinds of outcomes seen in Russia, particularly ischaemic heart disease or injury. For these, the frequency of heavy drinking – binge drinking, generally defined in the West as drinking more than four (women) or five (men) drinks on a single occasion – and other thresholds, such as the maximum quantity of alcohol consumed over a specific time period, are more appropriate measures. In Russia, it is this irregular but very heavy drinking that seems to be more linked to health (Rehm 2009). Russians call the most extreme version of this behaviour zapoi – a binge lasting several days, during which the drinker is unable to function.

In October 2010, the Russian Interior Minister declared alcohol abuse and alcoholism to be a threat to national security (Rashid Nurgaliev, quoted in RIA Novosti, 6 October 2010). Some surveys show that as many as 80 per cent of adolescents in Russia regularly consume alcohol, primarily beer. Alcoholism and drug addiction came out on top in a September 2010 survey asking Russians about the biggest threat to the country; 57 per cent cited these problems, compared with 55 per cent for inflation, 50 per cent for unemployment, and 41 per cent for corruption (VTsIOM survey, cited in Interfax, 3 September 2010). A package of measures against alcohol abuse and other unhealthy behaviour, unheard of in directness and scope since the Gorbachev anti alcohol campaign, has been unleashed in the last few years. Medical institutions will now play host to 500 “preventative health advice rooms”. Health awareness workshops for teenagers are on the agenda. The Russian Orthodox Church has sponsored a series of highly touted television programmes demonstrating in sometimes graphic detail the impact of alcohol abuse on human livers and brain cells.

On 30 June 2009, Russian President Dmitry Medvedev ordered his Ministry of Health to draft a new national programme to curb harmful behaviour, with a particular emphasis on alcohol abuse. Prime Minister Vladimir Putin and President Medvedev are rarely seen drinking alcohol; at a working lunch, the two very ostentatiously toasted one another with milk rather than with vodka (AFP, 2 October 2010). The government’s current anti alcohol strategy, signed by Putin on 30 December 2009, calls for cutting demand for alcohol in two phases: a reduction of 15 per cent between 2010 and 2012, and then by another 55 per cent between 2013 and 2020 (von Twickel 2010). A new zero tolerance law, finalised in July 2010, forbids drivers to have any alcohol whatsoever in their systems; earlier, they were allowed the equivalent of a half pint of beer. New warning labels – with large print heralding the dangers of drinking – are also coming on line for beer, wine, and liquor. A nighttime ban on alcohol sales now limits vendors to 8am to 11pm operations in the Moscow area, with similar restrictions proposed for other regions of the country. As of 1 January 2010, the price for a half litre of vodka was increased to about US $3, roughly double what it had been before, and there are further proposals on the books for additional hefty tax increases, with the duties on hard alcohol over the next three years (2011–13) resulting in a price hike for the cheapest vodka to about $4.75.
Historical precedent indicates that these measures will have some impact. One study indicates that the surge in alcohol related deaths, and premature death in general, was fuelled by a 77 per cent drop in the real price of vodka between 1990 and 1994, a result of populist price regulation during a highly inflationary period. This study further finds that variation in vodka prices, both over time and across Russia’s vast geography, closely match variations in mortality (Treisman 2010).

Yet in total the new government education and prevention measures amount to only 830 million rubles ($29 million) in new government outlays, a drop in the bucket compared with what is spent on analogous health promotion programmes in the United States and other Western countries. And the Russian government continues to enjoy a significant amount of income from alcohol taxes of various kinds. Finance Minister Alexei Kudrin has been quoted recently encouraging Russians to smoke and drink more in order to increase tax revenues for spending on social services: “People should understand: those who drink, those who smoke, are doing more to help the state” (quoted in AFP, 1 September 2010). The alcohol lobby is also quite strong in Russia, reportedly circulating proposals at the moment for a tenfold increase in the number of factories producing ethanol (Parfitt 2009a). A recent stakeholder analysis of alcohol policy in one Russian region revealed that the institutions most likely to play a role in developing or implementing alcohol control programmes were fragmented and disengaged, while the most influential actors—the government, large beer producers, and manufacturers of strong alcohols—are coordinated and powerful (Gil et al. 2010). The tension between health and revenue may favour the latter for the foreseeable future.

Tobacco

Around 60 per cent of Russian men and 20 per cent of Russian women smoke—more than twice the prevalence in the United States or the United Kingdom, and among the highest rates in the world. These numbers are rising, with the percentage of women who smoke doubling from 1992 to 2003, an even greater increase among rural women and younger women, and prevalence rates continuing to rise since 2003. Almost half of boys and 40 per cent of girls in the senior classes of Russian high schools call themselves smokers (Twigg 2008). The average age when a person starts smoking in Russia is 11; clearly the international tobacco industry’s strategy of targeting a young audience is proving quite effective.

The World Bank (2005) has called smoking the single most preventable cause of disease and death in Russia, linking it with cardiovascular disease, many cancers, and chronic lung disease. An estimated 330,000–400,000 Russians die annually from tobacco related causes—900–1,100 people per day—and another 50,000–60,000 deaths could be added to this total if the impact of second hand smoke were taken into account (Ross, Shariff, and Gilmore 2008). About one third of deaths among males aged 35–54 can be attributed to smoking. According to the World Health Organization (WHO 2002), tobacco related diseases reduce healthy years of life by 13.6 years for Russian smokers.

Tobacco control in Russia, despite some recent progress, has a long way to go. A pack of low end cigarettes in Russia costs the equivalent of around fifty cents, compared with seven dollars in Europe; a pack of non filter Russian cigarettes, which have no analogue in the West, sells for as little as ten cents (Vlassov 2008). Tobacco lobby groups scuttled many of the stronger provisions contained in new anti-tobacco legislation passed in December 2008. Side by side with restrictions on advertising, for example, now comes a clause that approves the placement of ads next to any point of sale—which in any city, means anywhere there is a street kiosk. The head of Russia’s Anti Tobacco Advocacy Coalition says that it is “common knowledge” that transnational tobacco companies rewrote the legislation to their benefit, bribing members of the Duma to pass
Interviews with a representative sample of the Russian population in November 2007, however, indicate potential public support for much stronger tobacco control: only 14 per cent thought current control measures were adequate; over 70 per cent favoured a ban on sales in street kiosks; 56 per cent believed that existing health warnings (40 per cent of surface area of front and back of cigarette packs) are adequate; and three quarters favoured, at minimum, separate spaces in bars and restaurants for smokers and non-smokers, with fully a third advocating a total smoking ban (Danishevski et al. 2008). The respondents revealed limited knowledge of the impact of smoking on health; presumably, if better educated about the dangers of tobacco, Russians would be even more supportive of public health measures limiting its distribution, advertising, and consumption.

The country’s top leadership has become outspoken on this issue. Prime Minister Putin, in a cabinet meeting broadcast on national television, asked his ministers who smoked to kick the habit “as an example in the fight against tobacco addiction” (AFP, 5 October 2010). The finance ministry announced in June 2010 plans to more than double the excise taxes on cigarettes from 250 rubles per 1,000 filtered sticks in 2010 to 590 rubles in 2013, and this follows a 25 per cent increase in 2009 and a 41 per cent increase in 2010. The excise tax now accounts for as much as 45.5 per cent of the retail price of cigarettes. Warning labels now must cover at least 40 per cent of the surface area of a cigarette packet. It will continue to be a challenge for public health advocates to confront the very powerful global tobacco industry, but recent legislative successes are promising.

Other risk factors for CVD

Compared with abuse of alcohol and tobacco, many other important risk factors for CVD remain poorly understood in the Russian context. It is estimated that 39 per cent of Russian men and 41 per cent of Russian women have hypertension, with only about 10 per cent of that properly diagnosed (Greenberg et al. 2005). Similarly, only about 6 per cent of Russian women and 2 per cent of Russian men identify themselves as diabetic, implying that there may be a substantial amount of unrecognised and undertreated diabetes in the country, a significant source of potentially preventable morbidity and mortality (Perlman and McKee 2008). Obesity is on the rise in Russia, currently hovering around 16 per cent of the adult population. That is nowhere near the rate in the United States, where one third of the population is obese, or Great Britain, where the figure is 23 per cent, but the rate of increase in Russia is a cause for concern among policy makers. The increase is due more to lack of physical activity than to dietary changes over recent years (Pikhart et al. 2007). There are practically no reliable data on the prevalence of depression and other mental illness in Russia, which are also common risk factors for heart disease.

Another set of explanations for excess mortality in Russia focuses on stress. Created by increases in unemployment, labour mobility, migration, divorce, crime, and income inequality, social and psychological stress has been shown effectively to predict changes in life expectancy not only in Russia but in other post communist economies as well (Popov 2009, 2010). According to this hypothesis, alcohol consumption may be highly correlated with the mortality rate, but it cannot be the primary cause of it: some studies show that per capita alcohol consumption was actually higher in the early 1980s (before Gorbachev’s anti alcohol campaign) than in the 1990s, but the death rate was almost 50 per cent higher during the latter period.

HIV/AIDS

HIV/AIDS in Russia frequently makes the headlines, but neither HIV nor TB are significant causes of death in Russia. HIV remains a concern, however, with about 550,000 people officially
on the registries as HIV positive as of mid 2010 (Markosian 2010). Most sources give a figure of around one million people actually living with the virus, but those sources have cited that same figure for years, and so it is difficult to take it seriously. The overwhelming percentage of new cases each year – about 70 per cent – continues to originate from injection drug use (and the sharing of tainted needles), with the remainder from sexual transmission. Although an increase in the proportion of women among new cases in recent years has raised questions about whether the epidemic is “breaking out” into the non drug using heterosexual population, raising fears of a generalised epidemic (Burchell et al. 2008; Burrrano and Kruglov 2009), representatives of the NGOs that work with affected populations observe that the vast majority of these new female cases are among sex partners of male drug users; they consider the risk of a sustained, expanding epidemic among the general population to be quite low (Cohen 2010, and author’s interviews). In other words, Russia’s HIV epidemic, while explosive among drug users in the late 1990s, may have stabilised. The situation with HIV among men who have sex with men (MSM) is not well understood, though one recent analysis found a prevalence rate of 16 per cent among male sex workers in Moscow (Baral et al. 2010).

The level of mortality from AIDS related causes has been rising over the last several years, from about 11,160 in 2007 to 12,800 in 2008 and 14,000 in 2009 (Gorbacheva 2010). As is the case in most parts of the world, tuberculosis is the leading cause of death among HIV infected Russians. In 2009, 33.8 per cent of people with HIV were also diagnosed with TB (Deputy Speaker of the State Duma, Nadezhda Gerasimova, quoted in FK Novosti, 16 April 2010). Life saving anti retroviral therapy has been available since 2005–06, but fewer than 62,000 out of the 120,000 who are in medical need are currently receiving these medicines, and increasingly drugs are out of stock in a growing number of regions, despite $322 million allocated to HIV treatment in the federal budget.

Russia does run the risk of a more serious HIV epidemic if it does not allocate additional resources towards prevention measures, such as needle exchange and condom promotion, among high risk groups, as significant barriers to safe behaviour remain. A fear of police interference, for example, still deters many injectors from acquiring what should be readily and cheaply available syringes from pharmacies (Sarang et al. 2008). A five year grant from the Global Fund to Fight AIDS, Tuberculosis, and Malaria expired at the end of August 2009, shutting down more than 40 prevention programmes, most of them geared toward drug users. There was no funding in the federal government budget for HIV prevention programmes in 2010. The WHO has encouraged Russia to increase availability of needle exchange programmes for drug users and to legalise opioid substitution therapy with methadone and buprenorphine (Osborn 2010).

**Tuberculosis**

Russia ranks 11th on the WHO’s list of high TB burden countries. From 1991 to 2001, TB incidence in Russia more than doubled (from 34 to 88 per 100,000 population), and mortality rose from 8.1 to 19.9 (Keshavjee et al. 2008). Since then, both incidence and mortality have levelled off (World Bank 2010). Treatment of TB in Russia remains problematic, however, as many Russian regions are still reluctant to abandon their extensive network of inpatient and surgically oriented facilities in favour of the WHO recommended directly observed therapy short course (DOTS) strategy, which stresses more cost effective outpatient control of the disease (Floyd et al. 2006). Furthermore, DOTS patients exhibit a high rate of treatment default in Russia (61 per cent success rate in one study), which is both a cause and consequence of high rates of multi drug resistant (MDR )TB (Nechaeva 2007). Russian
MDR TB rates have been reported as high as 23 per cent in new cases and 60 per cent in previously treated cases (Jakubowiak et al. 2009).

A seminal study published in 2006 indicates that the main risk factors for acquiring tuberculosis in Russia, in declining order of importance, are low accumulated wealth, financial insecurity, consumption of unpasteurised milk, diabetes, living with a relative with tuberculosis, being unemployed, living in crowded conditions, illicit drug use, and a history of incarceration in both pre-trial detention centres and prison (Coker et al. 2006). Contrary to common belief, it may be the case that imprisonment does not contribute overwhelmingly to the overall burden of TB in Russia; prisons and pre-trial detention centres may not be the “incubators” or “epidemiological pumps” once believed. When prevalence of exposure is taken into account, the most important risk factors are exposure to raw milk and unemployment. The association found with raw milk may be linked to infection with *Mycobacterium bovis*, as the consumption of unpasteurised milk has increased during the post Soviet transition period, implying that increased attention should be paid to the safety of the milk supply. It is also important to recognise the understudied link between TB and alcohol abuse: alcohol use disorders have been associated with 55 and 70 per cent of TB patients in St Petersburg and Ivanovo, respectively (Mathew 2008).

**Health promotion and health care**

Given the bleak health and demographic backdrop of the last two decades, what factors account for the last few years’ improved state of affairs? The Putin era’s economic growth and stability can take much of the credit. Almost all Russian government commentaries, however, afford equal or greater weight to recent reforms of the health care system. There certainly has been room for improvement: in 2000 (the last year the survey was conducted), the WHO ranked Russia’s health care system as the 130th most effective in the world, out of 191 – ahead of Peru and Bhutan, and alongside Burkina Faso (Stolyarova 2010).

The centrepiece of health reform has been the Priority National Health Project (NHP). First proposed in the autumn of 2005 for implementation over the subsequent two years, the NHP has now been formally extended into a permanent federal programme. Many of its provisions are embodied in the 17 proposal strong “Concept for the Development of Healthcare in the Russian Federation through 2020”, passed, after public review and debate, by the Ministry of Health and Social Development. During 2006–07, just over 200 billion rubles (about $8.3 billion) were allocated to a set of explicit objectives: improve the health status of the population, increase accessibility to and improve quality of medical care, strengthen primary care as well as health promotion and disease prevention activities, and improve access to tertiary care. The NHP’s main activities included training and retraining of primary care physicians, increasing salaries for primary and emergency care physicians, purchasing equipment for primary care providers, expanding and strengthening vaccination programmes, providing physical examinations to the entire working population, introducing new protocols for examination and care of newborns, adding new resources for the care of pregnant women, funding HIV/AIDS prevention and treatment, and constructing new centres for high technology tertiary care. Putin himself has lauded the NHP’s outputs over those first two years: 13 million people received check ups, 60 million were vaccinated, and 300,000 received “high tech” medical care. Thousands of new ambulances were purchased and distributed to every region in the country. The health ministry created 512 health centres around the country, along with an additional 193 centres of health for children and adolescents. An anti-alcohol hotline (8 800 200 0200) was put into place, and a new website (takzdorovo.ru) trumpets information and advice about healthy lifestyles.
The project has been slated for continuation and expansion through 2012, with additional priorities including highway safety, cardiovascular disease, cancer, and obstetric care. The latest plans involve construction of 14 new high tech medical centres, seven specialising in cardiac surgery, five in trauma treatment, orthopaedics and prosthetics, and two in neurosurgery. These centres will be strategically located across the country, not just in or near Moscow and St Petersburg, in order to make advanced tertiary care available to people close to where they live.

In addition, a “Maternal Capital” programme, launched at the end of 2006, gives women a one time payment of around $11,400 for the birth of a second child – quite a sum compared with the 2010 average annual income of $7,500. Surveys of Russian women, however, indicate a strong reluctance to have more than one child due to a variety of factors: housing, income, lack of a suitable parenting partner, and poor networks of family and community support. Internationally and historically, government prenatal policies have rarely been successful over the long term.

The Russian government in 2008 declared that public financing of health care would increase from 3.6 per cent of gross domestic product to at least 5.2 per cent by 2020 (compared with about 14 per cent in the United States), with a target life expectancy of 75 for 2020. But NHP spending has been chaotic and often thoughtless, with resources allocated according to political expediency over any other criterion. “Money spent” has been the primary and official indicator of success. Equipment purchases have barrelled forward seemingly without analysis of medical need, training requirements, and probable utilisation patterns, so that millions of dollars’ worth of machinery stands idle, underused, or used incorrectly. Salaries for primary care providers, while higher than before, are still not at levels sufficient to attract talented students into the profession. Nobody seems to be assessing the impact of all this spending: monitoring and evaluation, with critical assessment of plausible attribution of NHP interventions to actual health outcomes, is absent.

Equally importantly, the NHP has done little to address the structural imbalances that have plagued the Russian health care system since the Soviet period. The majority of care is still inefficiently provided in the hospital rather than ambulatory sector. Despite progress in restructuring the system in some regions, overall the system still allocates over 60 per cent of its resources to costly hospital care (compared with 30–40 per cent in most European Union countries), with a hospital bed occupancy rate 1.5 times that in Europe. It is estimated that a third of patients who are currently admitted for hospital stays could be treated on a most cost effective ambulatory basis (Shishkin and Vlassov 2009). A national compulsory health insurance mechanism has not delivered the promised set of market based pressures for higher quality and more cost effective care: funding streams remain fragmented between the budget and insurance, intermediate insurers have not fully developed, and provider payment mechanisms present an array of incentives that are confusing, at best. Doctors’ base pay rates continue to be rigidly set by level of education and years in service, rather than by quality and success of treatment offered. Efforts to skew the system more towards family medicine or general practice have met with resistance from several quarters: specialists themselves, who do not want to lose their privileged positions, and urban populations who are accustomed to easy access to specialists. Per capita public funding for health care is four to five times higher in rich regions than in poor ones. As a result of this wasteful allocation of resources, the state’s supposed guarantee of a minimum package of free health services is ill defined, and people are too often forced to pay for care that is constitutionally guaranteed to be without charge: 30–60 per cent of health care costs are out of pocket, and 50–60 per cent of Russians report forgoing medical care because they cannot pay for it (Naigovzina and Filatov 2010; Sheiman and Shishkin 2010).

Even if the resources flowing into the health sector were spent with impeccable effectiveness and efficiency, the best health system in the world could not overcome the poor choices still made by too many Russians – smoking, excessive and binge drinking, bad diets, lack of exercise – and...
the unhealthy environments (air, water, and food quality, unsafe roads, etc.) in which many Russians live. The Russian government is taking many steps in the right direction when it comes to health promotion and disease prevention efforts. In addition to anti alcohol and tobacco control measures, there have been campaigns on road safety, health awareness among teenagers, and school meals. But opposition from the powerful alcohol and tobacco lobbies, hostility among many physicians to internationally recommended prevention measures and treatment protocols, and a still vertically oriented health system that hinders attempts at cross sectoral cooperation all mitigate against the success of these programmes (Parfitt 2009b). Until there is follow through on all the rhetoric, consistent implementation of recently passed public health legislation despite the inevitable howls of protest from powerful business interests, and significant government investment in the basic infrastructure that must precede good public health, accompanied by a sea change in public attitudes toward a host of self destructive behaviours (most likely accomplished through the kinds of behaviour change, communication, and social marketing that have been proven to work in the rest of the world), the recent improvements in Russia’s health outlook are likely to be shallow and unsustainable.

Notes
1 Speaking at the 60th session of the World Health Organization’s Regional Committee for Europe, Moscow, 13 September 2010.
2 With the caveat that infant mortality in Russia is still not counted in consistent compliance with international standards.
3 The bacteria that causes TB in cattle. It can cross the animal-human barrier through the milk supply.

References


“Smoking-Related Death Rate Up 1 1/2 Times in Russia Over Past 20 Years” (2009), ITAR TASS, 30 May.
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Part V

Foreign policy
In the Putin era Russian foreign policy has excited interest on a number of levels. The last year of the Yeltsin period, 1999, was punctuated by the Kosovo crisis and renewed war in Chechnya, while in 2000, the year Putin was elected president, the Anti Ballistic Missile Treaty, a cornerstone of strategic stability, was abrogated by the United States (to take effect in 2002). Russian foreign policy, as distinct from Soviet foreign policy, is at one and the same time the foreign policy of a young new state and of an old empire. In international legal terms, Russia is the continuer state of the USSR; the other republics are designated as “successor states”, thereby giving Russia an elevated status in international affairs – it claimed the USSR’s seat on the UN Security Council, and Ukraine and Kazakhstan transferred all nuclear weapons on their soil to Russia. But Russia’s status as “continuer” state also highlights the continuing tension between the need to fashion a distinctive and discrete Russian foreign policy and the disinclination to completely sever Russia from the Soviet past, in particular if the latter might represent a “usable past”.

The bombing of Serbia by NATO forces signalled a major stumbling block in relations between Russia and the West, seeming to encapsulate the gulf which had opened up between them on a number of strategic and normative issues: from sovereignty and secession to NATO enlargement and debates over humanitarian intervention. Putin assumed the post of president with a huge burden of unresolved issues, both domestic and international. In many ways, these issues again highlighted the increasingly blurred line between internal and external which had always characterised post Soviet Russian foreign policy.

Under Gorbachev, emphasis had been placed on the need for the USSR to be a responsible great power. At first, it appeared as if this vision would be maintained, as Foreign Minister Andrei Kozyrev declared that Russia would work towards becoming a normal great power. This would entail Russia joining Western economic and political institutions, but also a strong emphasis on human rights; in Kozyrev’s words, Russia’s priority would henceforth be “to ensure all human rights and freedoms in their entirety. … I believe that these questions are not an internal matter of states but rather their obligations under the UN Charter …” (Interfax, 31 January 1992, through BBC Summary of World Broadcasts SU/1294 C1/2, 3 February 1992). This phase was short lived, however: from the wars in Yugoslavia to rapprochement with China, human rights were gradually put “on the back burner” in Russian foreign policy. It appeared that Russia was not in fact about to subscribe to the emerging idea that sovereignty was no longer “exclusive”. Given Russia’s internal problems with secessionism, as well as its role as keeper of the peace in the near abroad vis-à-vis Trans Dniestr, South Ossetiya and Abkhaziya, to subscribe to the notion of “conditional sovereignty” would have been contradictory.

Under Yeltsin the geopolitical approach was already being emphasised: now Russia would have particular responsibility for stability in the so called “near abroad”. Initial divisions
of policy makers into “Atlanticists” and “Eurasianists” (see Light et al. 1996) proved premature and superficial. Polarised debates between so called Westernisers, led by the idealistic and naive Andrei Kozyrev, and the Eurasianists did, however, capture the extremes of the Yeltsin years (Malcolm et al. 1996). The views of extremist nationalists such as Vladimir Zhirinovsky, leader of the Liberal Democratic Party, and Gennady Zyuganov, leader of the KPRF, were at that time seen as “beyond the pale” in political terms, but they did engage with the issue of a “national idea”, conspicuously lacking from the manifestos of other political parties. However, with the advent of the more experienced Yevgeny Primakov as Foreign Minister in 1996, not only was foreign policy once again firmly in the hands of the Foreign Ministry, but Primakov also spearheaded a new, more pragmatic approach in foreign policy. A kind of “pragmatic nationalism” was emerging which fused pragmatism with a robust defence of Russian interests. This approach encapsulated the views of several influential figures who had been behind the scenes during the earlier Yeltsin period, such as Vladimir Lukin (former ambassador to the United States and later head of the Duma foreign affairs committee) and Sergei Karaganov (head of the Council on Foreign and Defence Policy). Importantly, it also saw the fusion of such views with those of industrialists such as Arkady Volsky (the chair of the Union of Industrialists and Entrepreneurs) and lobbyists for the military–industrial complex. The latter pushed hard for an increase in weapons sales, in particular to countries such as China and India in an overall context of criticism that Russia had neglected old allies. These views came to coalesce into the more pragmatic, non-ideological approach of the initial Putin period, 2000–03.

Towards the end of the Yeltsin era, energy companies were beginning to play an increasingly significant role in foreign policy, notably in the “near abroad”. Figures such as Anatoly Chubais and Viktor Chernomyrdin illustrated the fusion of state and business interests; the new Kremlin sponsored parliamentary party Nash Dom Rossiya was jokingly referred to as Nash Dom Gazprom. Astrid Tuminez described this view as “statist nationalist”: it emphasised the need for a strong state domestically, but it also promoted a quasi-imperialist agenda in the former Soviet space (Tuminez 2000). Certainly, with the advent of Putin, the role of the state became of paramount importance in official discourse.

Overall, Yeltsin had paid little attention to the near abroad in the early years of his administration, instead focusing diplomatic energies on Europe and the United States, and, to a lesser extent China. However, this passivity was soon tested by a series of developments in the near abroad: separatist trends in South Ossetiya, Abkhaziya and Trans Dniestr (Moldova), as well as the treatment of Russian minorities in the Baltic states, all underlined the inability of Russian foreign policy to engage with the new geopolitical and geostrategic realities. By the end of Yeltsin’s tenure, Russia appeared as a power both economically and militarily weakened.

The two issues which more than any others served to unify the previously disparate views on Russian foreign policy were NATO enlargement and the related issue of the Western bombing of Serbia. Domestic forces within Russia had raised serious questions regarding the enlargement of NATO, and then, with Kosovo, the danger that the West was now attempting to undermine the existing Westphalian order, based on sovereign states, and to replace it with a Western hegemony based on individual human rights (a view shared by China). Moreover, the greater attention paid to the former Soviet space by the United States in particular, notably in energy rich areas such as Central Asia, was eliciting concern in some quarters of Russia. The United States’ designation of Central Asia as an arena of strategic importance, was encapsulated in Zbigniew Brzezinski’s advocacy of “geopolitical pluralism” in order to prevent the emergence of a hostile coalition that would challenge America’s primacy (Brzezinski 1997b). As one Russian commentator put it, while Russia had forgotten about geopolitics, the West had shown it was “alive and well” (Pushkov 1995).
The impact of NATO intervention in Kosovo cannot be underestimated and one might suggest that it was Kosovo which began to open up a dangerous fracture in values between Russia and the West, although tensions had already been evident over the Yugoslav crisis in the early to mid 1990s (for more detail see Headley 2008). The impact was two fold: first, the fact that the intervention had been spearheaded by NATO, the organisation which Russia had assumed had lost its raison d’être, showing that all talk of NATO being merely a defensive alliance was clearly untrue; second, this intervention was quite explicitly trumpeted by Tony Blair and others as a war of values: “free nations tend to be stable and solid partners in the advance of humankind. The best defence of our security lies in the spread of our values” (Blair 1999). The Western rhetoric regarding Kosovo is of crucial importance: by calling it a war of values, the West was casting Russia in the role of the other; by supporting Serbia, an aggressor state, Russia was no longer part of the society of states, but an outcast. NATO’s intervention also appeared to prove that the NATO–Russia founding act (1997) was merely a talking shop, a shop designed to keep Moscow quiet (similarly to the Partnership for Peace, widely termed “Partnership for Postponement” in Russia). Russia’s first move after the air strikes began was to suspend all cooperation with NATO.

The intervention gave a fillip to those within Russia who had long argued that NATO was looking for a new rationale. Russian opposition must also be seen in the context of Moscow’s fears at the time regarding NATO attempts to extend enlargement to the Baltic states (although not announced at the NATO summit in 1999). For example, Javier Solana angered Moscow not only by stating that the Balts should become members as soon as possible, but also by stressing that the West and NATO in particular were against any form of Moscow sponsored integration of the newly independent states. On the other hand, the Kosovo crisis also showed that Moscow was not about to embark on an isolationist course; by participating in KFOR and discussing the issue within the G8 (thus marginalising China), Russia was trying to ensure a stake in the outcome.

At the same time it was treading a dangerous course as it could be argued that Russia was giving tacit retrospective approval by participating in post war arrangements: “otherwise, by authorizing UN civil governance in Kosovo, states would be eating the fruit of a poisonous tree by partaking in the regime brought about by NATO’s aggression” (Franck 2003, 225). Certainly, Russia’s participation in KFOR could hardly be viewed as consistent with its view of the initial intervention.

The Foreign Policy Concept published in 2000, the first year of Putin’s presidency, emphasised the dangers of globalisation, both political and economic, and it drew particular attention to attempts “to belittle the role of the sovereign state as the fundamental element of international relations [which] generate a threat of arbitrary interference in internal affairs” (http://scrf.gov.ru/Documents/decree/2000 x.shtml). It was further noted that Russian foreign policy was to some degree hampered by a lack of economic and financial resources to devote to the making of foreign policy. The Concept reasserted Russia’s role as a great power, including by maintaining its status in various institutions such as the UN, so calls to reform the UN were explicitly rejected. It suggested that Russia would counter attempts to belittle the role of the UN in world affairs and instead advocated intensifying its global role, including by observing the Charter and preserving the status of the P5. Russia’s newly acquired status as a member of the G8 was put forward as a means for Russia to advance its foreign political interests; indeed, discussions regarding Kosovo were mainly conducted within this forum.

Putin had initially made conciliatory overtures to the West, in an attempt to repair the damage wrought by Western action over Kosovo and NATO’s eastward enlargement, although he faced stiff opposition from military circles who still viewed NATO enlargement as evidence of an aggressive strategy directed at Russia. Regarding 9/11, US intervention in Afghanistan was welcomed, if cautiously; the intervention appeared to address pre existing Russian concerns
regarding Islamic fundamentalism and terrorism. Russia took a slightly “I told you so” approach, but the extent to which Russia had genuinely looked forward to a new partnership based on a joint struggle against Islamic fundamentalism was expressed by Putin in his 2002 annual address when he said that “after 9/11 many people realised the Cold War was over” (Putin 2002). However, it seemed that the United States preferred to see its intervention as an exercise in homeland security rather than a chance to forge alliances. 9/11 had only temporarily obscured cleavages which had been gradually widening since the mid 1990s. After Iraq, many in Russia felt that the so-called “values” which had been invoked regarding Kosovo were now clearly exposed as hollow. Here was evidence of the triumph of US unilaterism and power politics: while Afghanistan could be seen as a war of necessity, Iraq was famously a “war of choice”. While Russia disliked the framework of democracy promotion, it was also sceptical that these and other humanitarian motives invoked by both Bush and Blair were the real motives behind the intervention. Now it was suggested that the West was guilty of double standards: while on the one hand promoting a human rights agenda, on the other it was pursuing interventionist policies backed up by overwhelming military power. The allegations of torture and ill treatment of prisoners at Guantanamo Bay and Abu Ghraib were proof of these double standards. But it was not only Iraq that solidified this view: US support for the “coloured” revolutions in Georgia, Ukraine and Kyrgyzstan was also severely criticised.

**Russian or post-Soviet foreign policy?**

By 2003 a new consensus seemed to be assured: high energy prices began to boost Russia’s confidence in the international arena. Russia’s role as an energy supplier increasingly came to be linked to the re-establishment of its status as a “great power”. Putin had brought with him former colleagues from St Petersburg and his time at the KGB (so-called siloviki), but he also presided over the taming of the oligarchs, notably the arrest and imprisonment of Mikhail Khodorkovsky. The fusion of business and elite interests which had commenced under Yeltsin continued and strengthened, so that some government figures with links to industry, and in particular to energy companies, have become powerful in their own right. In general, the ministries responsible for economic and energy policies have become more influential, simply reflecting the greater role played by these concerns in foreign and domestic policy. However, when Putin swapped roles with Dmitry Medvedev (who became President) to take on the role of Prime Minister, the latter role became concomitantly more powerful and influential. It may be that over time the office of the president will see power drain away from it and flow to the prime ministerial office. The presidential system, based on a strong president and a relatively weak prime minister, may therefore in time be reversed. In terms of foreign and domestic policy there is little doubt that Putin is the stronger in this tandem. The Ministry of Defence, which wielded disproportionate influence under Yeltsin, has declined relative to the security services, in part reflecting Putin’s own background but also the fact that military power has become less important relative to other areas. As Trenin and Lo (2005, 12) note, there has also been a decline in the influence of academics under Putin, compared with the Gorbachev, and even with the Yeltsin period; they are now rarely consulted.

The extent to which Russia appeared to be taking seriously its role as “continuer state” of the USSR was evident not only in purely legal terms, but equally in its refutation of the idea that the USSR was a failed ideological experiment, and an entirely negative one. In his annual address to the Federal Assembly in 2005, Putin described the collapse of the USSR as “a major geopolitical disaster” (Putin 2005). While stressing that Russia “was, is, and will of course, be a major European power”, he also emphasised the need for Russia to “continue its civilising mission on the Eurasian
continent” (Putin 2005). Continuity with the Soviet past was further illustrated by the way in which Russia rejected what it termed attempts to revise the past (revisionism) and especially to revise the results of the Second World War – illustrated by the establishment of a government commission designed to combat “historical revisionism” – which was even characterised as a threat to national security in the 2009 National Security Strategy (Sovet bezopasnosti 2009). In the 2007 Survey of Foreign Policy, in order to counteract the trend by “a number of East European and Baltic states, as well as several CIS States” to “politicise history”, it is recommended that Russian historians form study groups devoted to bilateral relations with such countries, as well as releasing relevant “retrospective” information held in Foreign Ministry archives (Ministerstvo inostrannykh del 2007). Russia’s victory over Fascism in the Second World War is regularly referenced in official statements by diplomats; moreover, sometimes efforts go beyond even Soviet era military commemoration – for example, plans are under way to inaugurate a Victory Day in the Russian Far East dedicated to Victory over Japan.

A discourse also began to emerge which suggested that Russia had in fact not “lost” the Cold War, but had been “tricked” by the West (Surkov 2006). The winner/loser discourse is perceived in Russia as being an integral part of US policy towards Russia, and is borne out by US failure to take into account Russian views on international affairs. This “rewriting” of history, and the extent to which Russia should shoulder responsibility for Soviet era crimes, has taken on increasing importance in Russian domestic and foreign policy discourse: thus when Ukraine attempted to table a motion at the UN to the effect that the famine which killed thousands of Ukrainians during Soviet collectivisation should be classed as genocide, Russia reacted swiftly to quash the motion.

Identity and ideas

It has been suggested that by the end of Putin’s first term (2003/04) a contest was under way between two trends: Westernisation and isolationism, arising in response to the “ideological and theoretical vacuum” of the late Yeltsin and early Putin years (Tsygankov and Tsygankov 2004, 3). Dmitry Trenin has argued that, unlike Yeltsin, Putin has now given Russia a “new national idea”. One could frame the apparent “search for a national identity” in a functionalist manner, i.e. Russia needed one, therefore it crafted one accordingly. However, one could suggest that the need to consolidate the state, which was left weakened after Yeltsin’s rule, and the need to bring together a new team which would dedicate itself to consolidating power at the centre, necessitated a strong discourse of national consciousness and national identity. In particular, the government needed to ensure it had the public on side, as one of the major problems of the Yeltsin era was the increasing disillusionment and alienation felt by the Russian public as economic indicators plummeted and simultaneously Russian interests in the global arena were simply ignored.

One quite simple way of asserting a national identity was to define Russia in the discourse by reference to its “Other”. During the Cold War the ideological struggle provided this in an obvious way. Now it was becoming more complex: if one followed the line of reasoning that the West had “won” the Cold War and that Russia had by implication “lost”, then in a sense Russia would become its own enemy. This might necessitate a full scale examination and self analysis of what had gone wrong. Becoming a “normal” power would mean agreeing to Western rules of the game. Given the continued resistance from military circles to NATO enlargement, the West was an easy target. In order to define itself, Russia therefore had to create an oppositional identity but one which did not entail subsuming this identity within a Western one. However, several commentators have suggested that this might mean emphasising Russia’s “Europeanness” – Vladimir Lukin suggests that this is the only way in which Russia can maintain its “civilizational
specificity”, and argues that only such a path can help Russia to “withstand the pressures of Asia” (Lukin 2008). The extent to which the assertion of European identity has been successful is instructive; as White et al. (2010, 352) note, according to surveys “Europeanness” is less salient even than in the Soviet time, with the vast majority simply describing themselves as citizens of the Russian Federation, suggesting a quite successful national, civic identity has been created.

Andrei Tsygankov has suggested that Putin has promoted the idea of a normal great power thus: when talking to Westernisers he emphasised “normal”; when talking to Eurasianists he emphasised “great” (Tsygankov 2006a, 382). In this formulation, Putin insisted that Russia should be treated as “just one more ‘normal’ great power” (Sakwa 2008, 243). However, the extent to which Russia continues to view itself as a power with global reach and significance, means that it will hardly settle for this: the BRIC idea which seeks to promote Brazil, Russia, India and China as alternative power centres is precisely predicated on the idea of challenging the claim of the United States to be the sole centre of power.

A further strand of Russian identity which emerged under Putin was the development of the idea of “sovereign democracy” by the Kremlin’s chief ideologue, Vladislav Surkov. The idea evolved from “managed” or “guided” democracy, which had overtones of an imperfect democracy (http://en.g8russia.ru/20060704/1168817.html). The new label has more nationalist/patriotic overtones, and significantly includes the word “sovereign”, a chief concern of Russia’s being to protect the Westphalian sovereign order. This concept was partly developed as a response to the “coloured revolutions” in Ukraine, Kyrgyzstan and Georgia, which appeared to varying degrees to be inspired by Western ideals. The need for democratic but stable governments in neighbouring states was deemed essential, although there was an implication that this might mean promoting stability over human rights, as Russia’s treatment of the Andijan crisis suggested. The “sovereign democracy” idea had both domestic and foreign implications, because it suggests a home grown idea of democracy (i.e. rather than Western) counterposed to the US democracy promotion agenda, echoing the Chinese notion of a state’s right to choose its own path to development.

However, geopolitical considerations came increasingly to the fore, and Western actions often seemed to confirm Russian suspicions: first, over Kosovo; then the US presence in Central Asia/Afghanistan; and most importantly, the US support for “coloured revolutions”, which to Russia appeared to herald the start of a new ideological battle, was seen in the context of a broader trajectory of US democracy promotion in the Middle East.

But the most testing time for Russia’s relations with the West came with the Five Day War in South Ossetiya, and against a background of a build up of heightened Cold War rhetoric evoked by Putin’s “Munich Speech” and the poisoning of a former Russian intelligence agent in the United Kingdom.

Russian regional priorities

As noted above, Yeltsin had neglected the so called “near abroad” at first, and the fear that disintegrative trends would reverberate within the Russian Federation itself appeared to be borne out by events in Chechnya in 1994. Russian peacekeeping forces, which appeared to have implicit blessing from the international community, provided Russia with a pretext for maintaining a military presence in Tajikistan and Georgia. Increasing anxiety regarding the rise of Islamism in the former Soviet south was a growing concern in the second half of the 1990s, and the US policy of supporting regimes, such as Islam Karimov’s in Uzbekistan, as a bulwark against Islamic fundamentalism aroused concern in the Kremlin and accusations of double standards, given the authoritarian nature of Karimov’s regime.
Anatoly Chubais, an important figure in Putin’s government, put forward the notion in 2003 that Russia should preserve its influence in the former Soviet space not by force, but principally by economic means. He called this the idea of “liberal empire”, and this has come to be a guiding principle of policy in the former Soviet space (Tsygankov 2006a, 148.). In many ways Putin’s policy has been to use the energy weapon precisely to pursue such a course. However, the use of overwhelming military force could not be ruled out, and already in the 1993 Foreign Policy Concept it had been suggested that force might be needed to protect Russian citizens abroad. Many South Ossetiyans had been given Russian passports prior to the war.

The war in South Ossetiya in 2008 was framed by Russia as a response to Georgian aggression, while Russia portrayed itself, unsuccessfully, as an upholder of international law. It was further presented as a humanitarian intervention, hardly convincing but also inconsistent, as Russia had always claimed not to recognise any right of humanitarian intervention in international law. For some commentators the war confirmed that Russia was returning to the politics of force, evidence of a “resurgent and revanchist” Russia (Kagan 2008); others suggested that the West, the United States in particular, had sent conflicting signals and misled Georgia regarding the nature of NATO support (Lieven 2008). As far as Russia was concerned, the action drove home the point that the former Soviet space was a sphere of Russian influence. Moreover, Russia asserted that it was applying “universal principles” which it argued the West had conspicuously failed to apply regarding Kosovar independence. However, Russia’s subsequent recognition of South Ossetiyan and Abkhaziyan independence found little support, even from allies such as China, and the recognition somewhat undermined Russia’s own case. By framing it as another war of values, there was a danger that the existing “values gap” would widen still further. As James Sherr has argued, the West has presented “an unfocused commitment to values and process” (Sherr 2008). On the other hand, the South Ossetiyan war was in some senses a victory for Russia, as subsequently plans for Georgian membership of NATO were quietly dropped, while it also put back on the agenda the issue of European security architecture, which Russia had accused the West of neglecting. Sergei Rogozin underlined this: “Only after 8 August did a serious discussion begin in the Russia–NATO Council” (Rogozin 2009, 2).

Soft power or soft hard power?

There has been considerable debate as to whether Russia is now using “soft power” in its foreign policy. Soft power is a term coined by Joseph Nye, but principally referring to US power. Some confusion has ensued as to precisely what soft power entails: the perception appears to be that soft power is merely another term for economic influence (Hill 2002; Tsygankov 2006b; Stent 2008) but the original meaning is much more about the ability to attract others by virtue of one’s values. In Nye’s words, soft power “rests primarily on three resources: its culture, … its political values, … and its foreign policies (when they are seen as legitimate and having moral authority)”.

It would be difficult to see Russia as possessing soft power on any of these measures: in cultural terms, there has been some effort to improve Russia’s image, and the 2007 Foreign Policy Survey drew attention to Russia’s lack of “attractiveness”. However, the evidence that Russia is learning how to use soft power is far from compelling. The definition of soft power is, as Nye points out, not the same as influence, which can be linked to coercion and hard power instruments. Soft power tends to involve some form of attractiveness based on culture and values. In this sense, it is hard to see that Russia fits this profile, as there is little evidence to suggest that Russia is becoming a “civilizing power”. Some have characterised energy resources as soft power (although energy has been described as “hard soft power”, Stent 2008, 1094). The increase in Russia’s economic power has been hailed by Russian foreign policy makers as a new instrument in its tool box, and it is
precisely this, an instrument. But Russia has not always used it wisely: for example, the Ukrainian energy crisis of 2005 led other states such as China to doubt Russia’s reliability as an energy supplier. It might be more appropriate to ask whether Russia has “smart power”. More likely is that at times Russian soft and hard power will be used together; as Ernest Wilson suggests, “hard power can and typically does amplify soft power . . . the effective use of soft power can amplify hard resources” (Wilson 2008, 122). Either soft power or hard power alone will not, on the whole, achieve results.

Energy power

Russia’s energy power suggested to some that Russia was increasing in power and influence, but a closer examination reveals the continuing weaknesses of Russia in domestic and international affairs. In particular with regard to Europe, it was suggested that Russia could hold Europe to ransom over energy. Some have suggested that energy exports should be reoriented to China, but this is not realistic, as such plans would be heavily dependent on the development of the Eastern Siberian oil fields; other plans such as those concerning expansion of liquified natural gas (LNG) are still in their early stages, and as yet LNG deliveries represent a small percentage of global LNG exports (Hanson 2009).

In Central Asia, Russia has been concerned to preserve its supply sources because it relies on Central Asian energy to supply Europe (principally Turkmen gas). Russia’s dominance of energy routes in Central Asia was also not assured, as it faced increasing competition from China, which was by now a net energy importer and was looking to Central Asia as part of its bid to diversify energy supplies. Discussions regarding Europe’s apparent dependence on Russian gas supplies masked the fact that Russia was equally dependent on Europe as an export market. Security of demand was therefore of equal importance to security of supply. In effect the relationship was becoming one of interdependence (see Closson 2009).

The discourse regarding energy reveals the dichotomous nature of Russia’s energy “power”: while energy can be used as a tool in foreign policy, it is sometimes more of a blunt instrument than an effective weapon. Energy can be used to present Russia as an energy superpower, but underneath this lurks the fear of Russia as an “energy appendage”; for example, the 2009 National Security Strategy (NSS) refers to Russia’s dependence on export of raw materials as a threat.

Vladislav Surkov suggested that for the West energy security consisted in “full control over our resource. . . . People talk to us about democracy but they are really thinking about our energy resources” (RFE/RL Newsline, 29 June 2006). This was around the time that the US ambassador to Moscow had urged Russia to open up its oil and gas resources to foreign investors if it wanted to be seen as a global energy player. Russia, however, has tended to view the global market as weighted against it; thus Putin in 2003 argued that “countries surrounding us with highly developed economies push us out of promising world markets when they can”, while “their obvious economic advantages serve as fuel for their growing geopolitical ambitions” (Putin 2003).

Paradoxically, however, the NSS also describes energy as an instrument of power and a “strategic security asset”, suggesting that struggles over energy resources may increase and threaten Russia’s security (de Haas 2009, 4). This is a common view held by military figures, who tend to view security in geopolitical and zero sum terms. Some military analysts have suggested that the future struggle for energy resources will be fought above all with China, which will need to expand into Russia’s Far East in its quest for energy. The threat from China will therefore need to be countered by maintaining Russia’s nuclear weapons arsenal and pursuing strategic cooperation with the West (Ostankov 2005, 28).

One might suggest that nuclear weapons were decreasing in significance in the international order, due to the possibility of the emergence of new nuclear powers such as Iran, as well as their
decreasing utility given the new “asymmetrical warfare” of the Global War on Terror. However, their centrality in Russia–US relations is still key. Nuclear weapons are important in that they symbolise the centrality of Russia–US relations as the former two superpowers, and therefore Russia’s global, rather than merely regional, role. The necessity to engage in arms reduction talks is a means of keeping the United States engaged. Arguably however, since 9/11 and the war in Iraq, the United States had become a “distracted superpower”, and the arms control agenda was hardly a top US priority, given the strategic importance now devoted to the fight against al Qaeda. Still, on Bush’s visit to Moscow in 2002, just after the formal abrogation of the treaty, Putin may have been led to believe that the United States would be entering a process of consultation with Russia on future cooperation in the area of missile defence (Tsypkin 2009, 786). Many in Russia were expecting this as a “reward” for Russia’s acquiescence over ABM, but also Russia’s understanding for American action in Afghanistan and the establishment of bases in Central Asia. Nevertheless, nuclear weapons also played a subtle role in reminding people that the five nuclear powers recognised under the NPT corresponded to the P5 of the UN Security Council, powers with “primary responsibility” for maintaining international peace and security. Sergei Karaganov, in a recent debate with Alexei Arbatov, stated that “sad as it may seem, today nuclear weapons are the only possible and attainable attribute of the status of a great world power” (Arbatov 2010).

Conclusion

While several official documents appeared to suggest that Russia had now found its place in the global order, that it had reversed the negative trends of the 1990s, at the same time there was still a certain insecurity in evidence. Russia’s domestic travails appeared to show the opposite trend: Russia as a declining power – demographic and health trends in particular demonstrated this. Domestic needs are focused around the economy, enshrined in Medvedev’s modernisation project and the National Security Strategy, which emphasise the pressing need to improve socio-economic indicators for Russian citizens; energy is clearly positioned as the resource which will help to achieve this. However, relying on energy power alone may be risky, in particular where oil prices may fluctuate (e.g. Surkov 2008, 34).

Instruments of Russian power, such as military force, are becoming less reliable – Russia’s struggle with terrorism in the North Caucasus illustrates this. Russia has sought to challenge those who seek to revise history, not only the results of the Second World War, but also of the Cold War: it seeks to present itself as an undefeated great power. However, it risks becoming trapped by the rhetoric and seeking answers in the past. This exposes the dilemma in seeing Russia as the direct heir to the USSR; as Sergei Karaganov argues, it is essential for Russia to decide whether it is the USSR’s successor, or “the legal inheritor of millennium old Russian traditions”; in his view it is imperative for Russia to define itself as “a successor to the historical Russia” because this would make partnership with the United States “more natural”, whereas defining itself as a mini USSR would make it doomed to “mini confrontation” (Karaganov 2005).

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Officials and media in the Russian Federation originally used the term “ближнее зарубежье” (“near abroad”) to refer to the other former Soviet republics that gained independence when the USSR collapsed at the end of 1991. Most Russians had psychological difficulties in thinking of these territories as independent states; governing their inter relations, so long a concern of domestic policy, had suddenly become a matter of foreign policy. Boundaries that had been internal (and largely meaningless) had become international borders overnight (Donaldson and Nogee 2009).

The initial emphasis of Yeltsin’s government had been to integrate Russia closely with the West, and to abandon imperial pretensions in the former Soviet space, lest the economic and military consequences of heavy involvement there both alienate the West and retard market reforms and the pace of democratisation in Russia itself. Soon, however, concerns about trade, security, boundary disputes, and the welfare of Russians in these states, as well as disappointment with the result of Moscow’s efforts to “join the West”, moved the “near abroad” to the forefront of Russia’s priorities. In August 1992 a member of Yeltsin’s Presidential Council, Andranik Migranyan, wrote that “Russia should declare to the world that the entire geopolitical space of the former USSR is a space of its vital interests”, in a fashion explicitly parallel to America’s own Monroe Doctrine (Migranian 1992).

By 1993, Yeltsin’s political opponents in the “red–brown coalition”, such as Vladimir Zhirinovsky and Gennady Zyuganov, were extending this doctrine much further, arguing that Russia should reunify the former imperial space, by force if necessary. By the time Yeltsin’s team issued Russia’s first official Foreign Policy Concept in April 1993, the initial “liberal Westernising” policy had been completely abandoned and a stance was adopted that more closely resembled Migranian’s “pragmatic nationalist” views, emphasising Russia’s rights and responsibilities in the states of the former USSR. (Malcolm et al. 1996). What was not yet clear was the degree of hegemony Russia intended – or would be able – to exercise over the newly independent states.

While each of the states of the former Soviet Union (FSU) is unique, they are often considered in several groups. The Baltic states (Estonia, Latvia, and Lithuania), for example, are in a class of their own because of the intensity of their nationalism and their determination to break as sharply as possible from Russian control. Alone among the Soviet republics, the Baltic states were independent as late as 1940, and they were never reconciled to their status as component parts of the USSR. It is safe to say that among all the former Soviet republics (with the exception of Belarus), there exists a determination to remain independent, but that determination is clearly strongest among the Baltic states. They were the first to break away from the Soviet
Union – having their secession formally approved by Gorbachev’s State Council in September 1991 – and they alone among the 14 non-Russian states have consistently refused to join the Commonwealth of Independent States (CIS). Moreover, they are now members of both the European Union (EU) and the North Atlantic Treaty Organization (NATO).

In a second group are the 11 states that have affiliated with Russia as members of the CIS. Within that group, there are also subgroups. The first comprises Ukraine and Belarus, the two Slavic states that agreed with Russia on 8 December 1991 to form what they initially termed the Commonwealth of Slavic States. Then there are the three Transcaucasian states – Georgia, Armenia, and Azerbaijan – and the five Central Asian states of Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan. In a category of its own is Moldova, a territory largely carved out of pre-war Romania.

The Commonwealth of Independent States

The CIS is an organisation whose birth was accidental, whose founding members differed considerably on its nature, and whose future remains as uncertain now as it did at its birth. Throughout 1991 Mikhail Gorbachev was trying to hold the Soviet Union together by means of a new treaty relationship among its republics, most of which were adopting declarations of sovereignty. He envisioned a redesigned federal system, which he proposed to call the Union of Sovereign States. It would give its republics more autonomy, particularly in the economic sphere, but would retain considerable powers for the centre, particularly in foreign and defence policy. Boris Yeltsin also favoured a new union, but his vision was of a confederation that would give far fewer powers to the central government (and that would have no room for a chief executive – i.e. Gorbachev). Ultimately, the decision was left to the voters of Ukraine, who voted on 1 December 1991 for independence, and to their president, Leonid Kravchuk, who insisted that Ukraine would participate only in a loose commonwealth, and not in any grouping that had central institutions, common law, or citizenship, or even any status in international law (Dunlop 1993).

The CIS was formed on 25 December 1991, and – after some hesitation on the part of Georgia, Azerbaijan, and Moldova – ultimately included all of the republics except the Baltic states. The CIS was an instrument of Russian foreign policy in two ways. It served as a means of coordination of policies among its members. It was also a mechanism for asserting Russian hegemony over the other 11 states. Both goals have been pursued simultaneously. Initially prominence was given to the former, but with the passage of time the latter has become an important feature of Russian policy. According to the text of the original agreement, the members agreed to coordinate foreign policy activities. They specifically committed themselves to creating a “common military strategic space” under a joint commander, including a unified control over nuclear weapons. That commitment – probably necessary to secure the acquiescence of the Soviet armed forces in the dissolution of the USSR – along with an agreement to create a “common economic space”, was abandoned within two years.

Among the many international organisations in existence, the CIS is unique. The CIS is neither a political alliance nor an economic community, though its activities have elements of both. It is a loose federation with no independent powers of governance. There is provision for central institutions – principally the Council of Heads of State and the Council of Heads of Government – but these councils lack authority to impose CIS decisions on any member. Decisions require the unanimous consent of all those voting. As a matter of practice, most of the decisions reached have not been put into effect. Not infrequently, several members fail to appear at scheduled summit meetings. By failing to participate in a CIS decision, a member is free
to opt out of compliance, but even those members participating in decisions and agreeing with them are not obliged to comply and often do not (Brzezinski and Sullivan 1997).

Behind the failure of the CIS to become the integrated system Yeltsin and other Russians wanted it to be lay the determination of each state to preserve its newly acquired independence and sovereignty. This was true of each member without exception, though there were considerable differences in the degree to which some states were determined to maintain their distance from Russia. Eventually a group of states formed a sub-grouping that most strongly resisted the threat of Russian domination: Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova (GUUAM).

No issue better illustrated the bitter struggle between those forces pressing for and against integration than the effort to create a unified CIS military command. As noted above, one of the expressed objectives of the commonwealth was the creation of a “military strategic space under a joint command”. But from the very beginning, differences among the new states emerged over the issue of establishing unified armed forces. At the first CIS summit on 30 December 1991, Ukraine claimed the right to create a national army under Ukrainian command. Kravchuk also demanded Ukraine’s control over military units on its territory, including the Black Sea Fleet, which was headquartered in the Crimean city of Sevastopol.

Russia’s military leaders opposed the idea of national armies – also being sought by Moldova and Azerbaijan – among CIS members, hoping instead to place the bulk of the former Soviet armed forces under a unified CIS command. The opponents of integration prevailed, however, and the CIS leaders agreed to permit those states that so desired to create their own armies; but they also agreed to establish the Council of Defence Ministers, headquartered in Moscow, and to make Russian General Yevgeny Shaposhnikov commander in chief of the CIS Joint Armed Forces. While there was no agreement on the size and composition of the so-called joint armed forces, there was no doubt initially that the nuclear forces of the former Soviet Union would be under the CIS Joint Command. It soon became evident, though, that the concept of a joint command – even over nuclear forces – was illusory. Not only Ukraine, but also several other members were suspicious that the CIS Joint Command was in effect a surrogate for the Russian High Command (Foye 1993).

Unable to prevent military decentralisation, Russia had no choice but to create its own national command. For about a year the CIS Joint Command continued to coexist with the Russian High Command, though the exact responsibilities of the former were unclear. By mid 1993, all support for a unified CIS command had dissipated, and on 15 June, its abolition was announced in Moscow.

When the CIS was created, nuclear weapons were deployed in four states: Russia, Belarus, Kazakhstan, and Ukraine. With the collapse of the CIS Joint Command, Russia demanded that all nuclear inventories be transferred to Russia. In this Moscow had the strong support of the United States, which viewed the problem as a serious nuclear proliferation threat. The United States and other Western governments pressured the three new “nuclear states” to adhere to the Nuclear Nonproliferation Treaty and to ratify the START I Treaty. In May 1992 a protocol to the START I treaty was signed, providing that Belarus, Kazakhstan, and Ukraine would ratify the Nonproliferation Treaty “in the shortest possible time”.2

Russo-Ukrainian relations during 1992–93, however, were frequently antagonistic, and Kravchuk, pressured by domestic forces demanding retention of nuclear weapons, balked at carrying out the terms of the protocol. Kravchuk wanted as a quid pro quo for total nuclear renunciation security guarantees from the United States and financial compensation. During 1992 and 1993, Russia, Belarus, and Kazakhstan ratified the START I treaty, leaving Ukraine as the only holdout. Only after lengthy negotiations, pressed by the United States, was agreement finally
reached early in 1994. Ukraine, Belarus, and Kazakhstan were promised financial compensation for the highly enriched uranium in the warheads they were surrendering, and Ukraine was given security assurances by both Russia and the United States. Only after Kravchuk was replaced as president by Leonid Kuchma did Ukraine’s parliament finally give approval to the Non Proliferation Treaty (NPT).

The failure of Ukraine, historically the closest of all the CIS states to Russia, to move towards integration with Russia was paralleled by every other CIS state. Politically the CIS is not a federation, and economically it is not a common market. Even though until 1991 the former Soviet republics were governed as a unitary state with a command economy, as independent states they have achieved far less genuine economic integration than the European Union.

Expectations of economic cooperation were initially high, because as parts of the Soviet Union the former republics were in fact economically interdependent. The non Russian republics were dependent upon Russia for their supplies of energy, particularly oil and gas. It made economic sense for the CIS states to agree upon rules to govern the exchange of goods and services among themselves. In addition, at independence the ruble was the common unit of currency for each republic. But these incentives for economic integration were not strong enough to create workable economic institutions. In the end, each republic chose to create its own currency (Dawisha and Parrott 1994).

During the early years of the Commonwealth, there were unsuccessful attempts to establish a viable economic framework for CIS members. Ironically, it was Russia, the strongest proponent of economic integration, that in practice severely undermined the possibilities. President Yeltsin’s top domestic priority was radical economic reform (the so called shock therapy), which he introduced in January 1992. According to CIS principles, Russia was obligated to consult with its CIS partners regarding economic policy. Yeltsin did not do so, despite the fact that his policy of price decontrol had a ruinous impact on all those states using the ruble for their currency.

Notwithstanding the reluctance of the Commonwealth members to align their economic policies, their leaders continued to engage in the rhetoric of economic integration. The Russian press contemptuously referred to the repeated unrealised projects for unified CIS trade, labour, transport, customs, and currency systems as being in the CIS tradition of “paper creativity” (Segodnya 28 January 1997). Under Vladimir Putin, Russia took a harder line on border crossing by citizens of the Commonwealth, withdrawing from an earlier agreement on visa free travel by CIS citizens, citing challenges to the country’s security from terrorism, organised crime, and drug trafficking.

Because the membership of the CIS is so diverse with so many conflicting interests, occasionally smaller groups of CIS states have attempted to organise to achieve specific limited objectives. Thus, in March 1996 Russia signed an agreement with Belarus, Kazakhstan, and Kyrgyzstan to create a customs union. This quartet became a quintet in February 1999, when Tajikistan voted to affiliate with the customs union. To date the union has failed to accomplish very much. Nevertheless, the institutionalisation of the GUUAM grouping in 2000 apparently led the aforementioned states to formalise their association as the Eurasian Economic Union in October 2000. Voting rights were set up so as to guarantee Russian dominance, with Russia receiving four votes, its close allies Belarus and Kazakhstan two each, and Kyrgyzstan and Tajikistan one apiece.

The failure of the CIS to integrate economically or militarily did not prevent Russia from using the organisation to establish its dominance over the former Soviet territorial space. During the early period of his administration, Yeltsin was anxious to demonstrate to his new partners in the West that Russia’s imperial period was a thing of the past, and Moscow moved slowly and cautiously in its relations with the near abroad. As the number and intensity of conflicts among
CIS members grew, and as domestic political pressure for asserting Russia’s authority increased, the Yeltsin administration increasingly adopted a tougher strategy.

That policy changed yet again in the latter half of the 1990s as Moscow increasingly came to view the use of coercive measures as costly and unproductive. Several factors led to a less coercive strategy. One was the disastrous experience of the war in Chechnya; another, the economic strain of using military force; and a third, the decline in the influence of the Ministry of Defence (Lynch 2000).

The problem confronting Russia was how to use the CIS to build an effective mechanism for security. Integration was not working, so other means had to be devised to achieve the desired ends through multilateral cooperation. An attempt toward that end was the Collective Security Treaty. Originally, the idea of a collective security force had been worked out bilaterally between Russia and Kazakhstan. However, the idea appealed to other CIS members, so at a CIS summit in May 1992 a treaty was signed that ultimately brought together Armenia, Kazakhstan, Russia, Tajikistan, Uzbekistan, Azerbaijan, Belarus, Georgia, and Kyrgyzstan. In principle, the treaty created a defensive alliance whose ultimate decision making authority was to be a collective security council.

There were serious limitations with the mechanism for collective security. To begin with, it was never comprehensive. Notably absent were Ukraine, Moldova, and Turkmenistan. In 1999 several members defected. Uzbekistan withdrew in March, giving as its reason Moscow’s military activity “in certain CIS states”. Azerbaijan and Georgia withdrew later in the year. The Collective Security Treaty also was limited structurally. Essentially a defensive alliance, the treaty could come into force only when one sovereign entity attacked another. It did not cover conflicts that arose between groups within one state, and, with the exception of the war over Nagorno Karabakh between Armenia and Azerbaijan, the conflicts that plagued the CIS were essentially internal struggles or civil wars. Notwithstanding these limitations, the treaty remained a potentially useful instrument of Russian influence.

In the aftermath of the terrorist attacks on the United States on 11 September 2001 and the introduction of American forces into Central Asia, Russia sought to use the treaty as an instrument to balance American influence in the region. At a summit meeting of Collective Security members in April 2003, formal steps were begun to transform the alliance into a political–military organization to be known as the Collective Security Treaty Organisation (CSTO). Vladimir Putin was chosen as the first CSTO chairman. Russia, Kazakhstan, Kyrgyzstan, and Tajikistan agreed to create a Rapid Deployment Force.

An alternative mechanism that was to prove more efficacious than the collective security approach was peacekeeping. Developed by the United Nations, the institution of peacekeeping involves the use of collective armed force to intervene when invited by the warring parties to monitor a truce or cease fire. Originally, peacekeeping by the United Nations was designed to limit interstate conflict, but, with the end of the Cold War, peacekeeping operations increasingly dealt with intrastate fighting or civil wars. It was in this kind of conflict – internal wars within states bordering on Russia – that peacekeeping offered the greatest prospects.

Moscow was concerned about the outbreak of ethnic and national conflicts in the newly independent states bordering Russia because Russians living in those regions might be endangered or the conflicts might spread into Russia itself. Moreover, there was a belief that its status as a “great power” obligated Russia to assume responsibility for keeping the peace in the region (Porter and Saivetz 1994).

Interestingly, the initiative for creating a CIS peacekeeping force came from the president of Kazakhstan, Nursultan Nazarbayev, at a CIS summit in March 1992. Approving the plan were ten CIS states: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and
Uzbekistan, with Azerbaijan and Ukraine signing on the condition that their parliaments must approve. The agreement specified that CIS peacekeeping forces would be used only under conditions modelled on United Nations principles.

Peacekeeping operations were ultimately organised or planned for five conflicts that developed in the former USSR. However, not one of these operations was carried out as specified in the CIS agreement or in accordance with UN principles. The five conflicts were the civil war in Tajikistan, two secessionist movements in Georgia (South Ossetiya and Abkhaziya), the war over Nagorno Karabakh in Azerbaijan, and the independence struggle of the Trans Dniestr region in Moldova (Nogee 2000).

In Central Asia the major conflict was the civil war in Tajikistan. The war began in late 1991 when a coalition of forces challenged the authority of the government. Bitter fighting during the war took a large toll in lives, produced widespread atrocities, and generated over a half million refugees. In December 1992 a new government, headed by Imomali Rakhmonov, appealed to Russia and other CIS states for assistance against the opposing forces. Russian involvement was virtually inevitable because of the presence in Tajikistan of Russian (former Soviet) forces, which found themselves caught between the warring factions. In 1993 Russian troops were sent to guard the border between Tajikistan and Afghanistan (Johnson and Archer 1996).

That same year the leaders of Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan formally authorised the formation of a CIS peacekeeping force. This operation, controlled by Russia and not invited by the Tajik insurgents, reached a size of approximately 25,000 troops. Moscow made a genuine effort to bring both sides to the negotiating table, and ultimately it succeeded. In June 1997 the presidents of Russia and Tajikistan and the leader of the Tajik insurgency signed a Moscow brokered pact ending the war. Although intermittent fighting continued for some time, the Russian military presence pacified the country (Olcott 1996).

Russia’s use of peacekeeping forces to influence the outcome of the civil war in Tajikistan and of the secessionist movements in Georgia and Moldova has led to a backlash against Moscow’s concept of peacekeeping. At the same time the internal revolutions that replaced pro Russian regimes with pro Western governments (Georgia and Ukraine) strengthened the Kremlin’s determination to use peacekeeping as a method to stop the erosion of its influence among the states of the former Soviet Union. Towards this end Russia took the initiative to transform the CSTO into an instrument for maintaining order in the post Soviet space. At their summit meeting in October 2007 the CSTO leaders agreed to create a collective peacekeeping force to be available for external and internal security among its members.

The membership and objectives of the CSTO overlapped those of another – ultimately more prominent – organisation, the Shanghai Cooperation Organisation (SCO), which grew out of the agreements between China and the three former Soviet states with which it shares a border. Uzbekistan joined the original “Shanghai Five” (China, Russia, Kyrgyzstan, Kazakhstan, and Tajikistan) in June 2001, and the SCO was formally chartered at a summit in June 2002. The following year it became a fully fledged international organisation with a budget and structure, including an anti terrorist centre located in Bishkek, Kyrgyzstan. Some observers have described the SCO, which notably includes both Russia and China as members, as a counterweight to NATO, notwithstanding their common struggle against terrorism. Should its relations with NATO or Europe deteriorate, it is possible that Russia could someday see the SCO as a vehicle for closer cooperation with the Asian states.

Only one of the post Soviet states of Central Asia remained aloof from both the SCO and the CSTO – the energy rich state of Turkmenistan. Although it held membership in the CIS, and while it generally cooperated with Moscow on arrangements for gas production and transit, under Saparmurat Niyazov (who took the name “Turkmenbashi”) Turkmenistan pursued a foreign
policy of neutrality. Following the authoritarian ruler’s death in 2007, his successor eased some of the most repressive features of the regime but continued the standoffish policy toward Moscow influenced economic and security groupings.

The history of the CIS has been one of steady decline. Its meetings are only partially attended. Its decisions are largely ignored. The CIS has failed to achieve international recognition as a viable regional organisation. During the presidency of Boris Yeltsin, the dominant trend was the drive among the non-Russian members for full national sovereignty and independence. Under Putin this trend was enhanced, as some members have been inclined towards a pro-Russian orientation and others have been more inclined towards Europe.

Still, no one is proposing the dissolution of the CIS, certainly not the Russians. On occasion the CIS has been useful for coordinating national policies. One issue on which all states agree is that Islamic extremist terrorism is a threat. Putin has persuaded the CIS to establish an anti-terrorism centre, headquartered in Moscow (Hahn 2007). One CIS instrument useful for Russia is peacekeeping. Though Moscow has used peacekeeping to dominate and prevent the extension of outside influence in the CIS region, Russia’s peacekeeping has at the same time benefited the states involved by significantly reducing fighting between the parties and in some measure resolving the differences between them.

On issues that are central to Russia, Moscow has relied on bilateral rather than multilateral negotiations. A case in point is the common air defence system between Russia and the CIS states. The Kremlin has succeeded in bringing into the system, one by one, each of the CIS members except for Moldova and Azerbaijan; the first air defence exercise took place in Moscow in April 1998. Similarly, Russia’s arrangements for military cooperation with CIS states have been negotiated on a bilateral basis. Ultimately, Putin’s preference for bilateral over multilateral relations was evidenced when he abolished the Russian Ministry for CIS Affairs and gave its responsibilities to the Ministry of Foreign Affairs and the Russian Security Council.

To illustrate Russia’s conduct of bilateral relations with the post-Soviet states, I will briefly describe the development of Russia’s policies towards two of the most important and most contentious: Ukraine and Georgia.

Russian–Ukrainian relations

The nuclear problem discussed above reflected Ukraine’s deep sense of insecurity. Fundamentally, Kiev had no need for nuclear weapons and indeed could not even afford the cost of their upkeep, but in Ukrainian public opinion the suspicion was rampant that Russia did not accept the permanence of Ukrainian independence. Two issues that contributed to that fear involved the Black Sea Fleet and the status of Crimea.

The Black Sea Fleet, a naval force of approximately 300 ships, was one of the four fleets of the Soviet Union. It has its headquarters in the Crimean port of Sevastopol, a city under Ukrainian sovereignty but populated largely by ethnic Russians. In a provocative move, in January 1992 the Ukrainian minister of defence laid claim to the bulk of the Black Sea Fleet. Yeltsin rejected the Ukrainian claim out of hand, but nevertheless indicated a willingness to negotiate the issue. There were nationalist elements in both Kiev and Moscow who took an extreme position on the Black Sea Fleet issue, but Yeltsin was anxious to avoid a rupture with Ukraine, and even Kravchuk understood that in the end he would have to compromise. Over a period of several years the two leaders met often in an attempt to settle the controversy (Webber 1996).

The Black Sea Fleet issue was never really a security problem, but an expression of the larger political differences between the two states. Russian nationalists, particularly in the legislature, claimed the Crimean peninsula and especially the city of Sevastopol as part of Russian territory.
Yeltsin was not prepared to press Russian territorial claims against Ukraine. Yeltsin’s increased political clout in 1997, together with the strong powers over foreign policy under his tailor made constitution, permitted the Russian president to override domestic opposition and come to terms with Ukraine. A compelling motive for him to do so was the movement within NATO to expand into Eastern Europe. Russia’s leverage against the powerful forces of NATO was meagre, but one instrument to bolster its defence was to strengthen the weak bond between the two Slavic states.

In late May 1997 an accord was finally reached on the Black Sea Fleet. The fleet was divided equally, after which Ukraine sold a portion of its share of the ships to Russia. For appropriate compensation Russia was permitted to station its portion of the Black Sea Fleet at the port of Sevastopol for 20 years. This accord set the stage for President Yeltsin to make his first visit to Kiev, where he and Leonid Kuchma signed a treaty of friendship. Moscow agreed to write off most of Ukraine’s huge oil debt to Russia and pledged to honour Ukraine’s territorial integrity.

Notwithstanding the goodwill shown by the two leaders, suspicions remained strong in both countries. When the anti Russian group GUUAM was formed among the former Soviet states, Ukraine was one of the “U’s” in the pact. More heavily aided by the United States than most other former Soviet states, Ukraine had shown considerable interest in cooperating with NATO, signing military cooperation agreements in 1997 and 1998.

For both Yeltsin and Putin, no single concern was more basic than preventing Ukrainian membership in NATO. Leonid Kuchma’s terrible human rights record made Kiev an unlikely NATO candidate, though support for Ukraine did exist in the West. In May 2002 Kuchma chaired a meeting of Ukraine’s National Security and Defence Council that voted to initiate the process of Ukrainian membership in NATO. Moscow was displeased with this act of geopolitical disloyalty, but it had its own arsenal of economic and political instruments with which to constrain Kiev. Chief among these was the need for both countries to cooperate in the distribution of Russian natural gas through Ukrainian gas pipelines to markets in Western Europe.

Putin’s determination to secure Ukraine’s continuing orientation towards the East propelled him into a rare diplomatic blunder. The Russian president openly campaigned for Kuchma’s chosen successor, Prime Minister Viktor Yanukovich. Even before the run off results were certified in Kiev, and amidst reports from international observers of massive electoral fraud, Putin had declared that the outcome was an “absolute clear” Yanukovich victory. Half a million demonstrators massed in Kiev in support of the opposition candidate, Viktor Yushchenko. When the Ukrainian Supreme Court ordered a new run off, Putin was not only forced to accept a repeat of Ukraine’s presidential election but the fact that Viktor Yushchenko – the pro Western candidate – won decisively. Many in Europe and Russia viewed this outcome as a giant step towards Ukraine’s integration into the West and correspondingly a crushing blow to Russia’s foreign policy.

Ukrainian politics during the Yushchenko years, however, turned out to be murkier than either Moscow or Kiev had anticipated. On his first visit to Moscow as president, Yushchenko assured Putin that “Russia is our strategic partner”. Kiev made several modest steps to mollify Moscow over its underlying pro Western orientation. Still, in his contacts with foreign leaders Viktor Yushchenko openly declared his determination to affiliate with the West. In the spring of 2005 he met with George W. Bush to proclaim a “strategic partnership” with Washington, and with the president of Poland to affirm his government’s determination that Ukraine be a part of Europe.

The tensions in Russo Ukrainian relations led to a serious confrontation over Russia’s supply of natural gas to Ukraine. Putin informed Kiev that as of January 2006 Gazprom would quadruple the price of natural gas. Putin charged that Russia was subsidising Ukrainian consumers by some $4.6 billion. Although Moscow claimed that its actions were based purely on market
considerations, the fact that Gazprom did not raise the price of gas for friendly Belarus or the Trans Dniestr region revealed the underlying political rationale for the action.

On 1 January 2006, when Ukraine baulked at Moscow’s demands, all deliveries of natural gas to Ukraine from Russia were stopped. Russia was motivated in part to influence the upcoming Ukrainian parliamentary election. Presumably the damage to Ukraine’s economy would work to Viktor Yanukovich’s benefit at Yushchenko’s expense. But one serious complication of Russia’s tactic was that Ukraine’s pipelines not only transported gas from Russia to Ukraine but from Russia to Europe as well. Thus, a cut off of supplies threatened Europe’s economy and Russia’s reliability as an energy source for Europe.

As quickly as the crisis began, it was resolved. A complicated compromise was worked out. In three days gas transmission was resumed. The brief stoppage had hurt Russia’s reputation as a reliable supplier of energy resources, triggering several European countries to give serious consideration to measures to reduce their dependence on Russian energy. But there was a pay off for Russia. The parliamentary elections in March 2006 resulted in a substantial victory for the party of Viktor Yanukovich, Moscow’s favourite. Throughout the spring and summer a bitter struggle among the parties ensued, from which Yanukovich emerged as prime minister. Ultimately, Yushchenko’s political defeat was completed when he was rejected by the voters in the 2010 presidential elections, and his bitter rival Yanukovich emerged as Ukraine’s president.

Yanukovich had hoped his pro-Russian orientation would bring more benefits from Moscow. The Orange Revolution and the gas crisis it produced had led to a fundamentally new Russian political tactic towards the states of the CIS. Previously, Moscow had been prepared to supply the CIS states with certain strategic commodities at lower than market prices, provided they eschewed membership in the military blocs of other countries, prohibited foreign bases on their territory, and rejected what Russia regarded as threats to its vital interests in defence matters. But as the Orange Revolution (and the “Rose Revolution” in Georgia) changed that calculus, Moscow resorted to using Gazprom as an instrument to extract a substantial financial price. After his election, Yanukovich was able to negotiate a more favourable gas transit and import arrangement for Ukraine, but at the price of agreeing to a 25 year extension of the lease for the Russian Black Sea Fleet (to 2042).

Russia and Georgia

No region of the former Soviet Union is more prone to ethnic violence than the Caucasus. All of the conflicts that engulfed the region had their origins during the years of Soviet rule, but they were largely contained by the instruments of state power centred in Moscow. That power was bitterly resented by the diverse nationalities of the region, perhaps nowhere more so than in Georgia. The military suppression of a Georgian nationalist demonstration in Tbilisi in April 1989 not only spurred Georgian demands for independence, but also sparked nationalist emotions throughout the Caucasus.

In May 1991 extreme nationalist Zviad Gamsakhurdia was elected as Georgia’s president, and he proved an erratic and repressive leader. Relations with Russia deteriorated under his leadership. Georgia joined the Baltic states as the only former Soviet republics to reject outright membership in the CIS. After a brief reign, he was overthrown by domestic opponents who reportedly received weapons from Russian military forces in the region. He was succeeded as Georgia’s leader by Eduard Shevardnadze, who was invited by the Georgian parliament in March 1992 to return to his native country. Not a compliant partner of Moscow, Shevardnadze was, however, willing to work with the Yeltsin administration.
Since Georgia attained independence from the USSR, its domestic and foreign politics have been dominated by its struggle with secessionist movements in South Ossetiya and Abkhaziya. Gamsakhurdia’s extreme nationalist policies exacerbated longings for independence among the peoples of these two autonomous republics, both of which declared themselves sovereign republics. Fighting between South Ossetyan and Georgian forces broke out late in 1990, intensifying over the next two years. Russia became involved because large numbers of refugees fled north, and because of its concern that the fighting might spread to the Russian province of North Ossetiya. Under pressure from Moscow, Shevardnadze agreed to meet with Russian president Boris Yeltsin as well as representatives from North and South Ossetiya. In June 1992 the negotiators agreed to a cease fire and the deployment of a joint peacekeeping force.

This mission in no way involved the CIS. It was a first of its kind, organised on a trilateral basis between Georgia, Russia, and South Ossetiya. The initial objective was to enforce a ceasefire by separating the warring sides. Nominally under a joint command, the force was effectively subject to Russian authority. This operation was successful in keeping the peace, though it did little to resolve the underlying conflict.

A more serious threat to Georgian territorial integrity was the secessionist struggle of Abkhaziya. Located between the Black Sea and the Caucasus mountains, Abkhaziya is a province in northwest Georgia. The brief but repressive administration of Zviad Gamsakhurdia had the same impact on Abkhazia that it did on South Ossetiya: it heightened tensions, which ultimately led to bitter fighting. In return for Russian assistance against both Abkhaziya and the forces of Gamsakhurdia, Shevardnadze had to agree to join the CIS and accept Russian military bases on Georgia soil. On 3 February 1994 Boris Yeltsin arrived in Tbilisi to conclude the Treaty of Friendship and Cooperation and a status of forces agreement with Shevardnadze. Russia received the right to maintain four military bases in Georgia with a troop strength of 23,000. Russia also acquired access to ports on the Black Sea, including Poti, a major terminus of rail lines and roads from Tbilisi.

Georgia’s continuing unhappiness with Moscow was reflected in several actions: cooperating with the United States, Azerbaijan, and Turkey in the ambitious Baku–Tbilisi–Ceyhan pipeline, which bypassed Russian territory to bring Caspian oil to Turkey’s Mediterranean coast; participating in the pro Western GUUAM group and expressing a wish to join NATO; permitting a Chechen mission to operate in Tbilisi; and agreeing to enlist the Turkish military in equipping and training Georgian military forces.

Vladimir Putin certainly stepped up the pressure on Georgia. In December 2000, allegedly in reaction to the infiltration of Chechen fighters across the border and Georgia’s refusal to allow Russian troops to pursue them onto Georgian soil, Russia imposed a visa requirement on persons crossing the borders (except from Abkhazia and South Ossetiya). This imposed a particular hardship on the 500,000–700,000 Georgians living in Russia, whose remittances composed one fourth of Georgia’s income. On 1 January 2001 the Russians stopped the flow of natural gas through their pipeline to Georgia. Although the gas began to flow again after three days, the point of Georgia’s total dependence on Russia was driven home in harsh fashion. The Russians were also slowing down measures to close two of their four bases in Georgia. The pressure tactics were intended, at least in part, to reduce support received by Chechen guerrillas in Georgia, but they were also probably aimed at persuading Shevardnadze to back away from his flirtation with NATO and from the Baku–Ceyhan pipeline project.

The political environment in Georgia changed suddenly in November 2003 when a popular revolt (the “Rose Revolution”) forced Shevardnadze to resign the presidency. The objections to the Georgian president were not due to the country’s foreign policy but rather to the blatant corruption and economic incompetence of his administration (Greenberg 2004). Shevardnadze’s
successor was 36 year old Mikhail Saakashvili, who had studied and practised law in the United States. Though pro Western in outlook, he immediately sought to pursue a balancing act similar to that of his predecessor. At his inauguration, he stated, “Today as my first act, I am offering a friendly hand to Russia”.

The 2008 war: Russia reclaims its sphere of influence

Yet to be resolved, however, were the problems of the secessionist regions. The Abkhazian authorities, asserting that they had already won their independence from Georgia, refused to negotiate with Tbilisi. On Georgia’s independence day, 26 May 2004, Saakashvili’s speech appealed to the peoples of both Abkhaziya and South Ossetiya, in their native languages, to join in Georgia’s democratic revolution, and he reiterated his intention to use peaceful means to reunite the country.

Saakashvili met with Putin in Moscow, hoping to agree on terms for a solution in South Ossetiya and for the withdrawal of Russian troops from Georgia. Although he professed delight at Putin’s “warm attitude toward Georgia”, it was clear that he had failed to resolve the issues. Russia continued its intervention in both breakaway provinces of Georgia while Saakashvili sought what support he could get from the West. Tbilisi’s announcement that American instructors would begin training Georgian peacekeepers in January 2005 did not go down well in Moscow.

Behind the periodic crises in Moscow–Tbilisi relations lay the fundamental issue of Russia’s domination of the Transcaucasus. Moscow’s main strategic partner in the region is Armenia, where there is a large Russian military base. However, that base is only accessible through Georgian territory or air space. Therein lies the importance of Georgia to Russia’s geopolitical interests. Russia’s military forces, plus its influence over Abkhaziya and South Ossetiya, are viewed as vital to keeping Georgia in its sphere of influence. But the price of Russian troops in Georgia was to prove costly because it left Russia open to the charge of aggression against a small neighbour. At least in the cases of Abkhaziya and South Ossetiya, Moscow could and did claim to be supporting the principle of self determination.

Relations between Russia and Georgia deteriorated steadily during 2008. Early in May, Georgian authorities officially acknowledged, for the first time, that the two countries were on the brink of war. The Bush administration, fearing Georgian overconfidence, sent Secretary of State Condoleezza Rice to Tbilisi to warn Saakashvili not to provoke the Russians. But the warning proved futile. On 7 August Georgian forces attacked South Ossetiya’s capital Tskhinvali with multiple rocket launchers, artillery, and aircraft. It was a miscalculation of enormous magnitude.

Russian forces waited a day before counter attacking, but when they did, the consequences were disastrous for Georgia. Russian forces penetrated deep into Georgian territory and the prospects for restoring Georgian control over Abkhaziya or South Ossetiya became extremely remote. Georgia’s fate became dependent upon the West’s capacity to pressure Russia and the Kremlin’s intentions. Moscow described its actions as defensive but refused to state explicitly how far it would go, though it claimed neither to seek regime change (overthrow of Saakashvili) nor annexation of Abkhaziya or South Ossetiya.

The August war in the Caucasus was short, but from Moscow’s position effective. It demonstrated to Georgia and Ukraine that affiliation with the West would come at a price. But additionally it demonstrated to the West that Russia was prepared to act forcefully to protect its sphere of influence. Russia’s actions in the war did not constitute a change in the balance of power vis à vis the West, for the balance had in fact already changed. A decade earlier, Russian power was at a nadir. By the end of Putin’s presidency, Russia had become an economic powerhouse. While a
significant element of that power was the high price of oil and gas (its principal export), the fact was that Putin had brought Russia into the global economy and given it macroeconomic stability. In sum, Russia’s war on Georgia was a demonstration that Russia had recovered its status as a great power and was demanding recognition as such.

The United States and Europe demonstrated that they understood the situation. Washington and Brussels condemned Russia’s actions but made no sign of using or threatening to use force to change the outcome. US Secretary of State Rice acknowledged that the United States would not continue to press for Georgia’s membership in NATO in the near future. For its part, Russia announced its intention not to continue to participate in the NATO–Russia Council (a boycott that ended within a year). And on 26 August 2008, Moscow raised the stakes even higher by granting recognition to Abkhazia and South Ossetia as independent states.

The war in the Caucasus in 2008 heralded a new stage in Russia-Western relations. In no sense was it a return to the Cold War, with its heavy ideological component. But clearly Moscow was moving towards a more vigorous pursuit of its interests—and particularly of its interests in the post-Soviet space.

Notes
1 Georgia gave notice of withdrawal in August 2008, in the wake of its war with Russia.
3 Three of the bases were on undisputed Georgian territory, and the fourth (Gudata) was in Abkhazia.

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Russia and Europe

Anna Jonsson

The story of Europe–Russia relations is a story about complicated and dynamic processes of change in both Europe and Russia. Since the dissolution of the Soviet Union, Russia has been engaged in a lengthy reform process and the challenges facing Russian leaders have been multiple. The sovereignty of the Russian state had to be established and maintained, while the political, legal and economic system has been going through deep and fundamental changes. At the same time, Russian leaders have needed the support of Russia’s population, and these processes have proved difficult to combine. During the past two decades, Europe has been going through deep seated changes as well. Most importantly, for many Europe has become synonymous with the European Union (EU), which can be explained by the parallel process of the Union’s expansion and deepening over the last two decades. The EU has expanded to include 27 Member States. Central and East European states are now members, as are the three former Soviet republics of Estonia, Latvia and Lithuania. Additionally, the EU has reformed its internal decision making procedures, expanded its jurisdiction in relation to the Member States, and, with the establishment of a president and a foreign policy spokesperson, marked its role as a global player to be of some note. Taking this into account, one can easily understand the challenges that both the EU and Russia are facing in terms of developing a policy towards one another. Both parties are struggling to learn more about the other while constantly redefining their self image, interests and formal settings. Both also have a global position to protect and build.

This chapter will provide an analysis of how the EU–Russia relationship has developed since the beginning of the 1990s when Russia became an international player in its own right. It will show how the two parties’ different perceptions of the relationship and their roles, both regionally and globally, impact upon negotiations and the prospect for cooperation. This chapter will also highlight the main differences between Russia and the EU as to the starting point for cooperation. While Russia’s policy towards Europe is firmly based on Russia’s interest, Europe has espoused a value based Russia policy. As we shall see, however, Russia’s approach to the EU–Russia relationship has thus far been more successful and the EU has moved away from a value driven Russia policy to one dictated primarily by realism.

The relationship between Russia and Europe is affected by historical and cultural ties, identity shaping processes, security and foreign policy concerns, economic interests, values, and perceptions about friends and foes. Research on Russia and Europe is equally multifaceted and multidisciplinary, while sometimes tending toward the ideological. The research field can be said to deal with three main questions: Is Russia part of Europe, i.e. how strong is Russia’s European identity? What unites Russia and Europe – common values or common interests? And lastly, taking into account Russia’s history as a great power and an authoritarian state, how is Russia to be integrated
into Europe and the international community – should this be a process driven by values or interests? This last question is often answered within theoretical frameworks in the field of international relations, such as international socialisation or realism.

Before proceeding, a few words are in order concerning the units of analysis. In this context, Russia seems less problematic than Europe. When referring to Russia, it is the official position of the Russian state that is referred to. While this may be a questionable position given the fragmentation and occasional hijacking of Russian state policies by different interest groups with their own narrowly defined interests, Russia is nevertheless an increasingly clearly defined, centralised decision maker. Europe, on the other hand, is a more problematic concept, especially when discussing Russia and Europe. The EU will be the main analytical unit of this chapter. Nevertheless, the national interests of individual states (in terms of foreign, security and economic policy) as well as the Council of Europe and the OSCE will have to be taken into account.

Background

In pre-revolutionary Russia, admiration for Europe was a substantial factor amongst the upper classes, primarily the aristocracy. From Peter the Great onwards, European society and its process of modernisation posed as a model for how the modernisation of Russia could be conducted. The main obstacle to modernising Russia in the same manner as Continental Europe has been identified as the corrupt and authoritarian state apparatus, and the inefficiency that followed with it; Russia’s vast territory; its vague and fluctuating borders; the low degree of education and lack of human resources in combination with a distrust for the ruling classes on the part of the lower classes of society (Hosking 2003). As the revolutionary forces grew in Russia in the early twentieth century, another version of the European modernisation project found new ground and support. Under the leadership of revolutionaries such as Lenin, the communist experiment was imposed on Russia, leading to the creation of the Soviet Union.

The relationship between Europe and the Soviet Union is in itself an interesting topic, although suffice it to say that the ideological differences (and occasional similarities), in combination with common interests such as stopping aggressive Nazi Germany during the Second World War, are important for understanding how the relationship between Europe and the Soviet Union evolved. After the Second World War, the scene changed as a result of the changes in Europe. Europe was at this time fully occupied with the challenge of rebuilding what had been destroyed during the war. Ideologically, Europe was transformed, becoming more liberal, with constitutional democracy establishing itself as the guiding star at this time, especially for the rebuilding of West Germany. As a result, the Cold War began and the ideological gap between the Western hemisphere and the Soviet Union grew. Still, economic ties did exist between Europe and the Soviet Union, something deeply regretted by, for example, the Reagan administration (1981–89) in the United States. Nevertheless, in the 1980s the Soviet system started to crumble under a combination of internal and external pressure. Subsequent to the dissolution of the Soviet Union in 1991, its chief successor, Russia, had to redefine its relations with Europe. While this process was initially determined by Cold War rhetoric, it quickly altered to a policy based on the phrase “the return to Europe”.

The EU and Russia

At the beginning of the twenty first century, the relationship between Russia and Europe has been influenced by the development and changes within the EU, especially the process of enlargement and the subsequent reforms of the Union’s internal decision making procedures
reflected in the adoption and entering into force of the Lisbon Treaty in 2009. In addition, the relationship has been influenced by Russia’s changing foreign policy and self perception (Thorun 2009), and especially the growing role of economic considerations in Russia’s foreign policy (Johnson and Robinson 2005). Russia is the EU’s third largest trade partner. The EU has a trade surplus in relation to Russia, and the economic relationship between the two parties is best described as asymmetric. While Russia exports mainly oil and gas to Europe, and Europe is to varying degrees dependent on Russia’s energy exports, Russia accounts for only a small part of the Union’s exports.

The EU–Russia relationship is based on a Partnership and Cooperation Agreement (PCA) adopted in 1994. That document expired in 2007 and is to be replaced. However, the negotiations necessary to bring forward a new PCA have thus far not been successful. In a new PCA, cooperation is scheduled to take place within four common spaces: the common economic space, the common space of security, freedom and justice, the common space of external security, and the common space of research and education, including cultural aspects (European Commission 2007). There is a concern within the EU over Russia’s stalling modernisation and Russia not yet being a member of the World Trade Organization (WTO), in combination with Russia’s disrespect for the Energy Charter Treaty, from which Moscow pulled out in 2009. Russia never ratified the Treaty, but did accept its provisional application (Hobér 2010). The Energy Charter Treaty aims primarily to create a common energy market by stimulating cross border energy trade, investments and flow of technologies while at the same time respecting national sovereignty over natural resources. Furthermore, the PCA instrument has been less successful in relation to Russia compared with other states such as Norway and Iceland, due to its focus on the harmonisation of laws and regulations without Russia being able to influence the decision making procedure within the EU. This has been difficult for Russia to accept, since it strives for equal partnership in combination with it jealously guarding its national sovereignty. The European Commission is nevertheless clear on the fact that EU policy is made by the Member States and that third countries will not have a seat at the table (Barysch 2005). Russia, on the other hand, wants to have a say in the process that shapes legislation and regulation relevant to its interests. Taken together, the legal harmonisation that European integration through the PCA presumes is less suitable for a country like Russia with global ambitions than it is for a country like Norway.

The EU’s stance on Russia – and hence its relationship with it – has been determined by several factors, including economic interests, energy issues and Russia’s struggling with its modernisation programme, especially the lack of democracy and rule of law. The EU has sought dialogue with Russia on all the four common spaces mentioned above. The dialogue on a common European economic space has been the most successful area, but suffers from Russia not being a member of the WTO and the fact that the PCA concept is not appealing to Russia. The energy dialogue has been made difficult by the inability of the EU to speak with one voice on the matter. Furthermore, Russia’s state control of the gas sector in combination with its practice of using this control for political leverage against neighbouring countries such as Ukraine and Belarus has had the effect of hampering the dialogue and damaging trust between the parties. In addition, the EU relies on Russia’s gas exports for a quarter of its total gas supplies. When Russia cut off the gas supplies to Ukraine in 2008, several of the Union’s Member States were directly affected. For example, Romania, the Czech Republic, Slovakia, Bulgaria, Croatia, Greece, Hungary and Austria suffered a total halt in their deliveries. The EU lacks both an external and an internal energy strategy, while at the same time depending on Russian gas. This situation has led to heavy criticism of the EU and its inability to develop an energy policy (Erixon 2008), inter alia because it weakens the Union’s direct interests, as well as its otherwise relatively strong voice on issues such as the lack of democracy and rule of law in Russia.
In addition, the EU seeks to further its cooperation with Russia on issues such as transnational crime and corruption. The EU’s security strategy from 2003 underlines the connection between internal and external security, while Russia has also put these issues high on its policy agenda. Thus, the hope has been that cooperation in these areas would strengthen EU–Russia relations. Environmental issues and international terrorism are other soft security concerns where the EU seeks partnership with Russia (Barysch 2005). The EU also engages in a human rights dialogue with Russia. However, this normative aspect of the EU–Russia relationship has been considerably less successful (Haukkala 2009a). The normative impact of the EU was larger at the beginning of the 1990s, when Russia was searching for a new post Soviet identity. Russia at that point had no clear policy on European integration, and was struggling to define a general foreign policy. The EU, and probably more so the Council of Europe, had an important impact on the democratisation and liberalisation processes in Russia throughout the 1990s (Jonsson 2005). This altogether changed as a new foreign policy focusing on a more realist and geopolitical approach to Europe was developed under Putin’s presidency (2000–08), which also grew increasingly restive at what it termed external interference into Russian internal affairs (Sakwa 2009).

At the beginning of the twenty first century, Russia was still struggling to find out what kind of creature the EU really was, its potential role in the global arena, and what role it was to play for Europe as a whole. Not only were the Union’s role and goals hard to pinpoint, but Russian leaders and policy makers considered the EU’s decision making process to be unclear and complicated. Reminiscent of Henry Kissinger’s famous quip about the lack of a phone number for “Europe”, Russians did not know whom to approach for a dialogue and they certainly were frustrated by the lack of clarity in relation to both the form and content of European policies. In addition, Russia lacked a strategy for how to relate to the European integration process. Nevertheless, the Putin administration did declare that it had made a “European choice” (Klisousanova 2005). Klisousanova explains the European policy developed under Putin in terms of geo economics and the promotion of Russian development goals such as modernisation and increased competitiveness. This approach is consequently more pragmatic and instrumental, and hence the focus has been more on the actual relative gains and losses and not on common values, as had been the case in the beginning of the 1990s.

Thus far, Russia’s strategy when dealing with the EU has taken its starting point in bilateralism. By dealing with individual states on a bilateral level – Germany serves as an excellent example – Russia can sidestep the new Member States’ potential influence, while at the same time directly influencing individual Member States and their position on Russia related issues. Russian leaders in general find it difficult to speak with the EU. They claim that there is not one European point of view and that the Member States’ inability to reach agreement on certain issues weakens the Union as a player on a global level. Therefore, when dealing with the EU, Russia tends to ask friendly states such as Germany, France and Italy to push for a Russia friendly agenda. This was the case, for example, when Putin asked German Chancellor Gerhard Schroeder to speed up Russia’s process of becoming a member of the WTO (Barysch 2005).

From the Russian point of view, the main issues in EU–Russia relations in the beginning of the twenty first century include the EU Eastward enlargement process, including the European Neighbourhood Policy (ENP) and the Eastern Partnership, launched on 7 May 2009; energy security; and the EU’s attempts at diffusion of European norms and values (Jonsson et al. 2009). Clearly, there is a potential conflict between Russia’s interest in and strategy for “the near abroad” and the Union’s eastward enlargement. While the enlargements of the EU in 2004 and 2007 to include, inter alia, the Baltic States and Romania and Bulgaria went relatively smoothly, in relation to Russia, the NATO enlargement was much more sensitive. The Russian elite have always considered the NATO enlargement as American meddling in European affairs and as a
provocation towards Russia. Moreover, any plans to accept, for example, Ukraine and Georgia as NATO members have been regarded as attempts to encircle and isolate Russia. In addition, Moscow considers any EU activity in this area as an intervention in Russia’s sphere of interest. Since the 2004 Ukrainian elections, in which Moscow supported the fraudulent election of Viktor Yanukovich and the EU refused to recognise the legitimacy of those elections, Russia’s views of the EU have become increasingly negative. In particular, Moscow considers the Eastern Partnership as an affront against Russia, accusing Brussels of enlarging its sphere of influence in Russia’s “backyard”. In addition, Russia views any criticism or other comments on its democratic development, or rather backtracking, as attempts to intervene in Russia’s internal affairs.

The current Russian regime does see Russia as a European state. However, it does not recognise Europe’s normative agenda in relation to Russia. The concept of “sovereign democracy” was introduced partly as a means to underline that Russia is a democracy and hence that it can be part of Europe, but that it is developing in its own pace and on its own terms (Jonsson et al. 2009). Furthermore, Russian and EU strategies to achieve influence and uphold security in the former Soviet Union (FSU) differ substantially. The EU views political and legal reform and European integration based on legal harmonisation as a prerequisite for stability in the region. By contrast, Moscow’s strategy rests on informal influence and economic and energy pressure, in combination with efforts to destabilise neighbours, and even, as in the case of Georgia, direct military aggression. Moscow views every action in the former Soviet space that it perceives as norm-setting – and that proceeds without Moscow’s explicit consent – as a hostile action against Russia’s interests in the region. Additionally, Moscow remains convinced that the new EU Member States, and the policies they represent, will have negative consequences for EU–Russia relations (Raik 2009).

According to Russia’s medium term strategy for the development of Russia–EU relations, presented in 1999, Russia welcomes the European Security and Defence Policy (ESDP) as a way of restricting the United States and NATO and the NATO centrism in European security. In addition, the ESDP offers opportunities for cooperation in crisis management between the EU and Russia. Still, Russia is not an active partner in cooperation and furthermore is not particularly impressed by the military capacity of the EU. Russia’s stance on the EU’s ESDP should rather be seen as fitting Russia’s aim of a multipolar world (Webber 2009).

Russia and the EU: divergent values and common interests?

A study conducted by the EU–Russia Centre (2009) has identified some of the main challenges to expanding and deepening EU–Russia relations in the near future. The study was conducted by interviewing 200 Russian and European experts, policy makers and politicians. First, the war between Georgia and Russia and its lingering effects are considered by the majority of both Russian and European respondents to potentially have a negative impact on future EU–Russia dialogue. Second, both groups identified the area of energy security as a persistent challenge. Russia’s bad investment climate and its use of the control over energy resources and infrastructure for political ends was especially noted. A majority of European respondents (73 per cent) was of the opinion that the EU should continue to raise Russia’s democratic deficit and the lack of rule of law in the EU–Russia dialogue although the Russians would react negatively to it. Only 37 per cent of the Russians shared this point of view. The Russian respondents rather underlined the wish to concentrate solely on economic issues and on issues with a practical importance for both Russia and the EU, for example the visa regime. Both groups agreed that the visa regime needed to be changed to obtain visa free travel between Russia and the EU. In addition, both groups agreed that
the dialogue on democracy and rule of law had become less open and constructive compared with three to five years ago. The most polarised opinions between Russians and Europeans were related to the issue of human rights, especially rights of the Russian-speaking minority in the Baltic States, the lack of a common historical memory, especially concerning the Second World War and the Soviet past, and lastly the EU’s Eastern Neighbourhood Policy (ENP) and potential expansion. Sixty seven per cent of the Russian respondents, compared with 37 per cent of the Europeans, believed that the EU’s continued Eastward expansion would increase tensions between the EU and Russia. The lowest level of polarisation was visible on questions of economic interaction. The results of this study identify the remaining challenges in the EU–Russia dialogue. The distrust in Russia as a reliable energy supplier and the belief that foreign investors will not be treated fairly in Russia continues to hamper ties. Likewise, the fact that Russia does not tolerate any meddling in its internal affairs poses a challenge to the EU and its partly value-driven Russia policy. It opens up for strong bilateral relations such as those between Germany and Russia, which potentially could undermine attempts at designing a European Russia strategy (Stent 2010).

In conclusion, Europe’s initially norm- and value-driven policy towards Russia has had to give way to a more realist approach based on sectoral interests. Negotiations and dialogues are increasingly conducted within specific areas such as trade, energy and security issues separately. This fragmented approach opens up for interest driven rather than value driven processes and it could be argued that it has weakened the EU’s normative power and leverage on Russia (Haukkala 2009b). At the outset, Russia and Europe did have a common approach to European integration, values and cooperation. While the EU and the Council of Europe did have a strategy for implementing this, Russia never did. At the beginning of the twenty first century, when Russia actually did develop a European policy, the paths of the two parties diverged. However, over time the EU has increasingly adapted to the new foreign policy of Russia, i.e. to what Sakwa (2009) has termed Russia’s “new realism”. Put differently and borrowing the words of Haukkala (2009b), “… the Union is potentially losing two important ‘battles’ simultaneously: the battle to influence Russia and, consequently, the wider battle of ideas in world politics as well”.

Russia and Europe – from international socialisation to equal partnership?

This part of the chapter identifies the dynamic factors in the changing relationship between Russia and Europe. Some of the factors contributing to this change in relations are Russia’s changing self-perception, global aspirations and foreign policy interests. Certainly, Russia’s perception of itself as a great power in a multipolar world has had an impact on its relations with the EU and its (un)willingness to let the Union dictate that relationship (Johnson and Robinson 2005).

Taking a step back, it is possible to trace a clear line of developments in the relationship between Russia and the EU. At the beginning of the 1990s when Russia was leaving its Soviet past and all the hazards that came with it, there was a clear momentum for integrating Russia into international society in general and Europe in particular, and by doing so stimulating a development towards democracy and rule of law within Russia. During this time, there was a close link between Russia’s domestic and foreign policy. Domestic policy was determined by Russia’s ambition to be recognised as a Western country in civilisational terms. Reforms aiming to establish democracy, the rule of law and a market economy were initiated. Russia received support and assistance in this process both from individual states and from international organisations such as the Council of Europe, the EU and the UN, to mention only a few. At this point in time, Russia was open to international leverage and reforms could be directed in various directions. This process fits very
well with the process of international socialisation as described by Schimmelfennig (2000). Russia’s foreign policy was partly value driven at this time, and hence the Council of Europe and the EU were allowed to have an impact on Russia’s internal affairs. It could be argued that the EU’s normative power peaked at this point in time.

Thus, at the beginning of the 1990s, Russia’s foreign and domestic policy thoroughly overlapped in its pro Western and democratic direction. Between 1990 and 1993 Russia’s most important foreign policy goal was to integrate with Euro Atlantic structures and organisations. At that time, Russia’s self perception was that of a normal power, similar to any of the influential Western states. Cooperation and integration were to be based on shared values and mutual interests (Jonsson et al. 2009). That policy has since been criticised for selling out Russia’s vital interests and undermining Russia’s status and role regionally and globally. Clearly, Russia’s foreign and security interests will not be taken into consideration unless Russia has a say in the formation of international politics. Therefore, securing a seat at the table has been one of the main priorities of Russian foreign policy. Russian foreign policy between 1993–94 and 2000 has best been described as being dominated by “geopolitical realism” (Thorun 2009).

But during Vladimir Putin’s first term as Russian president (2000–04), the understanding of Russia’s role and interests in international politics began to change. Thorun (2009) characterises this period as determined by “pragmatic geo economic realism”. During this period, Russia’s great power status rested on its economic might and historical right. Russian foreign policy was perceived and portrayed as responsible and constructive, and one of the major means to defend Russia’s status as a great power was to use economic power in order to gain influence. Russian foreign policy between 2004 and 2007, on the other hand, was characterised by a competitive effort on the international scene regarding influence and values, and was dominated by “cultural geopolitical realism” (Thorun 2009), which also appears valid for the 2007–09 period. During this period, Russia’s great power status rested on its cultural and historical uniqueness and its regained economic and perceived military powers. The objective of Russia’s foreign policy at this time was to establish Russia as an independent great power – a “sovereign democracy”. Although constantly referring to the importance of international organisations and international law, the current regime’s assessment of the influence of international organisations and law is based on a realist perspective – hence its focus on bilateral cooperation and multipolarity instead of multilateral cooperation through international organisations and its attempts to change the European security architecture and reformulate international law. Currently, Russia’s foreign and security policy is best described as pragmatic, geopolitically focused, realist rather than value based, and striving towards a multipolar world by seeking to undermine the West’s influence in international affairs, especially that of the United States but also the EU as one united actor (Jonsson et al. 2009).

One important step for Russia to obtain and consolidate great power status is to cement itself as a dominant power in the former Soviet space. As a result, both Vladimir Putin and Dmitry Medvedev have forcefully and repeatedly underlined the fact that Russia considers the former Soviet states as part of its sphere of influence. Subsequent to the war in Georgia in August 2008, President Medvedev formulated the doctrine of privileged Russian interests in the former Soviet space, which Foreign Minister Sergei Lavrov also underlined during a speech in Washington DC in May 2009. One consequence of the policy of privileged interest in the FSU, as understood by Moscow, is that Russia should always have the final say regarding policies towards and within the FSU. Russia’s interests should always be taken into consideration, and any attempt to circumvent Russia and Russia’s interests will be considered a hostile action. Clearly, Russia’s view of its neighbours and of external actors’ policies towards them – especially if accepted by other international actors – will have consequences for the domestic and foreign policy making autonomy of the states concerned, indeed of their very sovereignty. External actors such as the
EU will have to take this into account when conducting a cost–benefit analysis of a certain policy (Jonsson et al. 2009). So far, Western powers have verbally rejected the concept of spheres of influence; in practice, however, ambivalence appears to be guiding policy, as Western actors have sought to avoid actions that would upset Moscow.

Thus, subsequent to Putin coming to power, Russia’s foreign policy and relations with the EU changed substantially. Although Russia still seeks constructive cooperation with Europe, it has made it equally clear that such a relationship is to be based on equality and reciprocity. The EU has been forced to adapt to this change in policy. Values are still important to the EU, but the Union has been forced to become more pragmatic and realist. As a result, the EU’s Russia policy is driven more by interests and less by values. In addition, after Russia was granted membership of the Council of Europe, the Council has lost its main leverage on Russia. As of today, it is primarily the European Court of Human Rights in Strasbourg that has an impact on legal affairs in Russia. Taken together, this leads us to the conclusion that Russia’s view of reciprocity is gaining ground.

According to Romanova (2010), the visions of reciprocity espoused by Russia and the EU differ due to divergent past experience, divergent views on contemporary international relations (Russia’s is more realist and post modern compared with the European states) and their inequality in terms of capabilities and resources. When conceptualising in terms of reciprocity, Russia tends to focus on levels of investment and outcomes in terms of quantitative goals. The EU, on the other hand, has a more holistic view of reciprocity. For the EU, reciprocity is all about levelling the playing field. For example, from the European point of view, by creating a market economy the playing field and its conditions will become predictable and free. Romanova (2010) argues that thus far Russia’s perception of reciprocity has been more successful. This conclusion fits well with the statements made above of how the EU’s policy on Russia has shifted from value driven to more realist and interest based.

Implications of a changed relationship

The EU’s policy towards Russia since the mid 1990s has been described as close to an appeasement policy (Haukkala 2009b). Haukkala argues that this policy has delivered none of the expected outcomes – neither has it strengthened EU–Russia relations nor has it allowed the EU to have a positive impact on Russia’s economic and democratic development. As concluded by Haukkala (2009b), the EU’s reluctance to impose demands and sanctions on Russia as a result of for example Russia’s grave violations of human rights in Chechnya due to the EU being afraid of risking its future relations and possibilities of influencing Russia’s development has delegitimised the Union’s normative power. Thus, the EU’s normative power in relation to Russia has been weakened while its voice in sectoral negotiations has not been clear enough, thereby weakening its structural power. Russia’s policy on the other hand has proven successful in that it has directed EU’s policy from a normative starting point to a more realist approach. Nevertheless, adapting its policy thinking to the new EU after the entering into force of the Lisbon Treaty poses a real challenge to Russia, especially given what is likely to be a more focused common foreign and security policy (CFSP) on the part of the EU. Russia is going to have to treat the Union more as one player in parallel with maintaining its bilateral relations with individual member states. The EU, on the other hand, needs to take this particular policy area seriously and at the very least try to achieve a common Russia and energy strategy. One of the other main issues for the EU is connected to the Union’s relationships with the FSU, the main question being whether there is a real competition between Russia and the EU in the region, and whether the Union should consider itself restricted by Russia’s interests when developing its policy towards the region. In the end, this is a question of respect for the right of the concerned states (notably Ukraine, Georgia and Moldova).
to independently set their foreign policy priorities. The remaining question is whether the EU is interested in and whether it is capable of restoring its normative power in relation to Russia and the common neighbourhood.

Regarding the theoretical implications of the changing relationship between Russia and the EU, the fact that Russia in its foreign policy in general and in relation to the EU in particular keeps referring to sovereignty and non-intervention in a time of increasing globalisation and transnationalism poses a theoretical challenge. Theories on transnationalism and globalisation challenge the traditional view of state sovereignty, as do normative theories such as those on international socialisation, diffusion of values and democratic transitions. Can these theoretical frameworks help in predicting and understanding actions and standpoints of states such as Russia taking recent developments into consideration? Recent studies point in the direction of moving away from idealism and soft power as an analytical framework towards realism and hard power and what has been termed structural power for analysing for example the competition between the EU and Russia in the common neighbourhood area (Averre 2009). One implication of this development could be that ideologically and normatively based theoretical frameworks are losing their explanatory and analytical value, and that focus will be shifted towards explaining driving forces, for example capacities, self interests and perceptions of the world and one’s role in it. Additionally, research on EU–Russia relations has highlighted problems related to the terms “power” and “reciprocity”. Clearly, there are different notions of power that need to be taken into account when studying EU–Russia relations, i.e. concepts such as great powers, normative powers and structural power (Averre 2009), to mention just a few.

Both Russia and the EU have struggled to adapt to, and shape, the new Europe that emerged after the dissolution of the Soviet Union. Still trapped by old perceptions of each other and struggling to adapt to the effects of globalisation, this has not been an easy process. For Europe, the main challenge remains how to combine a value based Russia policy with a realistic approach to both Europe’s and Russia’s self interests. Clearly, the Russian policy to move European policy away from a value driven policy has succeeded. Currently, negotiations and policy processes aim to identify a common interest and hence a common denominator. The latter tends to be minimalistic and focuses primarily on narrowly defined economic and security interests.

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Throughout what we might call the Putin–Bush era, questions persisted about the direction of Russian foreign policy. Would Russia engage with the United States or would it pursue an anti-Western foreign policy. As Putin acceded to power, relations between the United States and Russia were at a low point. Although things began to improve in early 2001, when former President George W. Bush looked into then Russian President Vladimir Putin’s eyes and saw his soul, it was only after the 9/11 terrorist attacks on the United States that Russian–US relations took a major turn for the better. Putin was the first world leader to call Bush after the attacks and he offered Russia’s support for the war effort against the Taliban in Afghanistan. As Putin himself made clear, he was determined to restore Russia’s superpower status; moreover, arguably he saw the offer to help the United States after 9/11 as a way of gaining influence (Saivetz 2006).

However, within a few months, the Bush Administration abrogated the ABM treaty and pushed for the second round of NATO expansion. Putin’s inability to dissuade Bush from launching the war in Iraq, despite having formed a coalition of sorts with Germany and France, further demonstrated that Russia had not received the expected payback in terms of status or influence. These international setbacks were reinforced by a perception in Moscow that Russia could not even influence events in the post-Soviet space. The inability to prevent either the Rose or Orange revolutions was attributed to the machinations of US-funded NGOs, thus converting the territory of the former Soviet Union into a chessboard of US-Russian rivalry.

Indeed, the downward trajectory of Russian-US relations reached its nadir during the August 2008 war between Russia and Georgia. The root of the tensions which erupted into a shooting war on the night of 7/8 August was Georgian President Mikhail Saakashvili’s stated goal of NATO membership for his country. Although the Bush Administration claimed that it had warned Saakashvili against any rash actions, both US presidential candidates (the war occurred in the midst of the 2008 presidential campaign) declared their support for Georgia. By the same token, the fact that Russia would send its troops across an international border demonstrated Moscow’s determination to rein in the states on its borders (with the exception of the Baltic states) and to prevent NATO expansion into what the Kremlin considers its backyard. In response, the United States and NATO both froze their relationships with Moscow and, although EU President Nicolas Sarkozy negotiated a ceasefire and troop withdrawal plan, Russian forces remained in violation of that agreement.

The Georgian war occurred at a time when oil was $148/barrel and Russian confidence was bolstered by the resulting budget surpluses. Of course, the autumn of 2008 saw the beginnings of
the global financial crisis, during which time Russia’s revenues plummeted, capital flight increased, and the Russian stock market lost 80 per cent of its value. Moreover, Russia’s vulnerability to the dramatic drop in oil prices was heightened because of its dependence on Western oil markets (Gaddy and Ickes 2009). President Dmitry Medvedev, elected in 2008, has toned down some of the bluster of his predecessor – at least partially in response to the initiatives undertaken by US President Barack Obama, who announced a change both in the tone and substance of US foreign policy. Among his priorities was engaging Russia and ending the precipitous slide in relations. The term “reset” used to characterise the new bilateral relationship was popularised when Vice President Joe Biden spoke about pushing the “reset button” with Russia. Then on 6 March 2009 Secretary of State Hillary Clinton presented Russian Foreign Minister Sergei Lavrov with a “reset button”. In the well known episode, the word “reset” was mistranslated and what Clinton actually presented was an “overcharged” button. Nonetheless, the term stuck. Within six months of the Georgia war, NATO announced a resumption of relations with Moscow. In March 2009, Clinton vowed to restore ties with Russia; however, she openly rejected Moscow’s claims to a sphere of influence in the former Soviet territory.

From the US perspective, the “reset” acknowledges that there are any number of issues in which the United States needs Russia’s cooperation, including Iran, Afghanistan, proliferation, and the Middle East, to name some. The basic idea is for the United States to work with Russia, issue by issue, to establish areas of commonalities in policy. In the words of former Ambassador to Russia, William J. Burns: “We are not so naive as to think that areas of agreement and common ground could be fully insulated from areas of disagreement and friction, but our starting point was that problems in one area of our relationship should not preclude progress in others” (Burns 2010).

At first, the Russians were sceptical that the United States really intended change and there were lingering doubts in Moscow that relations could be truly “reset”. This chapter will assess Russian views of the “reset”. It will begin with an analysis of the conflicting tendencies in Russian foreign policy as contained in the new military doctrine and the “leaked” document that promotes a much more benign foreign policy. It will go on to explore the ambiguities in the current state of US–Russian relations, with sections on the major issues on the bilateral agenda: arms reduction, Afghanistan, Iran, and the post Soviet space. It will argue that Russian pronouncements and actions demonstrate a caution and ambivalence about engagement. Despite the change in tone of relations, significant policy differences remain.

**Where is the threat?**

Almost a year to the day after Vice President Biden’s speech about pushing the reset button, the Russian Federation announced its new military doctrine. Long awaited, its publication had been delayed, presumably because of serious disagreements among the military and foreign policy elites. This debate behind closed doors occurred as the Russian military undertook military reform designed to streamline forces, and in the aftermath of the Georgian War, which, although won decisively by the Russians, nonetheless demonstrated dramatic weaknesses in coordination and communication. Internationally, the doctrine was published after two face to face meetings between Obama and Medvedev and the US cancellation of the Bush Administration’s missile defence programme that had long been an irritant in bilateral relations. And yet, the military doctrine, signed by Medvedev on 5 February 2010, seems to belong to an earlier era.

Leading up to 5 February, much of the Russian press commentary focused not on the tenor of US–Russian relations per se, but on the place of nuclear weapons in Russian force postures and whether or not the doctrine would enshrine the right of nuclear pre emption (“New Military Doctrine . . .” 2009). In fact, Medvedev also signed a document entitled “The Foundations of State
Policy in the Area of Nuclear Deterrence to 2020”, which was not made public. In some respects, the doctrine is a purposeful study in ambiguities. On the one hand, it notes the “weakening of ideological confrontation” and the reduced likelihood of large-scale warfare. It also points out the diminished influence of “certain states”, and the rise of new economic and political powers. The document does not employ the term “multipolarity”, but clearly this phrasing is directed in the first instance at NATO and the United States and in the second at the rise of China and India. On the other hand, NATO expansion is labelled the foremost threat to the Russian Federation. The first item in the list of threats to Russia is “the efforts to impart global functions, which are implemented in violation of the norms of international law, to the force potential of the North Atlantic Treaty Organization, bring the military infrastructure of NATO member countries closer to the Russian borders, by way of the bloc’s enlargement” (McDermott 2010). The doctrine goes on to list efforts to destabilise Russia’s neighbours and mentions the deployment of foreign military contingents on territories neighbouring Russia or its allies. As will be seen below, this is clearly a reference to the US base at Manas, Kyrgyzstan. The litany of threats also includes US plans to develop missile defence, but it makes no mention at all of China (Factbox 2010).

If the military doctrine contained echoes of the Cold War, a second document, leaked in early May 2010 to the Russian version of Newsweek, presented a dramatic departure. Labelled the “Programme for the Effective Use of Foreign Policy in the Long Term Development of Russia”, it presents a pro-Western foreign policy designed to promote the modernisation of Russia. The blueprint, according to many Russian pundits, is a frank acknowledgment that the Russian Federation suffered during the global financial crisis and has learned that it needs to expand the base of the economy beyond oil and gas. These are not new themes for Medvedev, who has spoken repeatedly about the need for modernisation and technological innovation. The document describes a world in which there are no friends or enemies, but only interests that Moscow will pursue. The bottom line seems to be that Russia is looking to create a favourable international environment in which it can modernise and attract foreign investment.

On a superficial level, the new document and the military doctrine contradict each other. So the question debated by Russian commentators is whether or not the doctrine represents a departure or is merely a restatement of existing foreign policy. Fyodor Lukyanov (2010b), the editor of Russia in Global Affairs, suggested that Russia wants co equal status with Europe and expects concrete economic benefits from supporting the West on the Iranian nuclear question and other issues. Dmitry Trenin (2010a), the noted commentator and director of the Carnegie Moscow Center, claims that this is a dramatic shift. He argues that it represents the abandonment of making up for Russia’s weaknesses with “aggressive rhetoric against the West. Instead, Russia needs to attract external resources for modernization.” And yet he notes that there are glaring lapses – why, he asks, are Poland and Britain left out of the document? Both commentators in effect note the instrumentality of the new external relations. In Trenin’s words, modernisation is a tool to “reassert Russia’s position and role in the world as a major power”.

In a speech to the Ministry of Foreign Affairs, Medvedev (2010b) affirmed the instrumental nature of Russian policies. He stated that foreign policy should be conducted in order to “improve financial and spiritual conditions for our people …”. He added: “We believe that with the support of our government in cooperation with foreign partners, Russian entrepreneurs, scientists, engineers will turn our economy into one of the driving forces of global development.”

The two documents and Medvedev’s speech devote considerable attention to relations with the states of the former Soviet Union (which will be discussed below). First, in some respects, the military doctrine is focused on the borders of the Russian Federation. It specifically raises the concern about outsiders’ efforts to destabilise the neighbouring states and to establish military bases there. Second, the leaked foreign policy statement is astonishing in its detail about buying up
assets within the Commonwealth of Independent States (CIS). Arguing that the area is of declining investment interest to Europe and that assets in the former Soviet Union are relatively inexpensive, the new programme suggests that Russia should buy assets in the Baltic States and purchase oil and gas interests in Ukraine, to name a few. Medvedev (2010b) labelled relations with the CIS states an “overriding priority” and said that “creating incentives for integration is based on shared modernisation imperatives”.

These next sections will illustrate how these dual, and perhaps contradictory, foreign policy goals are implemented in several crucial issue areas. We will explore negotiations culminating in the START follow-on treaty, cooperation with NATO and the United States over Afghanistan, Russian attitudes toward the Iranian nuclear question, and the state of play in the former Soviet Union.

The START negotiations

President Obama has, from the beginning of his administration, made arms control and moving towards a nuclear zero fundamental foreign policy goals. Obama Administration officials openly hoped that negotiations for the START follow-on treaty would be relatively easy, and that once in place the new arms reduction treaty could serve as a stepping stone to further cooperation on a series of other issues. However, the reality proved much more complicated.

When Presidents Obama and Medvedev met in London, they agreed to work to replace the START treaty, due to expire in early December 2009. Then, at their summit in July 2009, they signed a joint statement setting out the parameters of the new treaty. Each side would reduce the number of strategic warheads to between 1,500 and 1,675 and limit the number of delivery vehicles to between 500 and 1,100. The new treaty would also contain provisions regarding verification and counting rules. The day before the old treaty expired with no replacement in the offing, the two presidents issued a joint statement declaring their intention to complete the process. They professed their “… commitment to ensure that a new treaty on strategic arms enters into force at the earliest possible date” (The White House 2009). At the end of the year, Prime Minister Putin, arguably expressing the concerns of the military, warned that the United States would develop a first strike capability if it successfully deployed missile defences. He urged the United States to provide Russia with data on missile defence systems if it expected data on Russian weapons development (The White House 2009).

On 8 April 2010 the new START follow-on treaty was signed by Obama and Medvedev. Although it was generally presumed that both sides wanted to reduce the numbers of warheads, in actuality the cuts are relatively modest. Each side is limited to 1,550 strategic warheads; however, the method of counting was changed significantly. The treaty counts the actual number of warheads deployed on land and sea, but counts each strategic bomber, regardless of the number of warheads, as a single warhead. The treaty reduces the number of deployed delivery vehicles to 700, and establishes a ceiling of 800 on deployed and non deployed launchers. No limits were placed on the modernisation of strategic offensive systems, unless a variety of technical characteristics were changed by more than 3 per cent.

Significant changes were introduced to verification procedures. The Russians, according to many commentators, proposed the changes because they resented the system contained in the old START treaty, and they wanted US inspectors to leave the Votkinsk missile factory. The final agreements eliminated the US monitors at Votkinsk, reduced the number of inspections to 18 per year, and required each side to notify the other about tests only 42 times a year. The required exchange of telemetric data was also reduced to five flights and each side could choose which flights to report.

Even with all these compromises, the one outstanding issue that could have scuttled the START agreement is the Russian demand that US missile defence plans be linked to the
START treaty. The give and take resulted in a non binding preamble that acknowledges the link. In separate unilateral declarations at the time of signing, the Russians claimed that the treaty is valid only if the United States does not develop missile defence, while the United States stated that missile defence systems are not intended to upset the balance with the Russian Federation. Although the United States is not required to stop missile defence development, the Russians have implicitly threatened to withdraw from the treaty if missile development alters the strategic balance. In an interview with George Stephanopolous on ABC TV, Medvedev (2010a) said that if a new system fundamentally threatened Russia, “Then we would raise the issue of suspending the treaty, but I hope that this will not happen …”.

As the new treaty, referred to by the Russians as either START 3 or START 2010, moved towards ratification by the US Senate and by the Duma, there was much debate on both sides about whether or not the agreement was a “good deal”. In the end, it remains to be seen if this modest agreement can be the launch pad for a completely new bilateral relationship.

Afghanistan: the challenges of a dangerous neighbourhood

Afghanistan was the other issue on which there was supposed to be a major coincidence of interests. Russia is worried about the resurgence of the Taliban, which over the years has backed local Islamist groups such as the Islamic Movement of Uzbekistan. From Moscow’s perspective, there are no real borders and therefore no real obstacles to the spread of Islamist radicalism. In addition, Russia is concerned about narcotics trafficking in the region. Ninety per cent of the world’s heroin supply comes from Afghanistan, and it is estimated that Russia is the world’s largest consumer of drugs, with approximately 2.5 million addicts (Ivanov 2010). The Russians have repeatedly called for NATO troops to eradicate the poppy crop; however, the Western alliance wants to avoid alienating local farmers who grow the poppies.

Given these vital security interests, one would think that Moscow would strongly back the ongoing US war effort. Yet, there seem to be doubts about NATO’s long term commitment to the fight. In a 2010 International Herald Tribune op. ed. article, Boris Gromov and Dmitry Rogozin (2010) talked about the dangers to Russia should the NATO forces pull out before the job was completed. They wrote:

A rapid slide into chaos awaits Afghanistan and its neighbors if NATO pulls out, pretending to have achieved its goals. A pullout would give a tremendous boost to Islamic militants, destabilize the Central Asian republics and set off flows of refugees, including many thousands to Europe and Russia. … It would also give a huge boost to the illegal drug trade.

Both the civilian leadership and Russian military officials apparently question the value of supporting the war effort more fully, especially given European reluctance to station more troops in the war zone (Coalson 2010).

What seems equally worrying to Moscow is the longevity of the US and NATO presence on the territory of the former Soviet Union. And this concern carries implications for Russia’s support of the war effort. One need only look at the dispute surrounding the US base at Manas, Kyrgyzstan. At a summit in February 2009, then Kyrgyz President Kurmanbek Bakiyev announced that Manas would have to close within six months. In what was presumed to be a quid pro quo, Medvedev announced a two billion dollar loan to Bishkek. Nonetheless, Bakiyev ultimately negotiated a new, more lucrative basing agreement with Washington.

Less than a year later, Bakiyev was ousted in a coup that many thought was orchestrated by Moscow. Russian media ran a press campaign highlighting the corruption of the Bakiyev family.
and Moscow revoked the agreement giving Kyrgyzstan preferred customs duties on energy imports. This forced Bakiyev to raise utility rates, arguably the match that ignited the coup (Blank 2010). The coup itself raised questions about the future of the base, as did ethnic clashes in Osh between Uzbeks and Kyrgyz. At the time of writing, the immediate crisis is over, but tensions persist between the two ethnic groups. Russia and the Collective Security Treaty Organisation members have called for calm and are offering to train police, but they all declined calls for active intervention during the fighting. An election designed to legitimise the new post Bakiyev parliamentary system was held in October 2010.

This digression into the instability in Kyrgyzstan is included in order to illustrate why Russian cooperation in the war in Afghanistan is so vital to US and NATO forces. In December 2009 when NATO secretary general Anders Fogh Rasmussen met with both President Medvedev and Prime Minister Putin, he requested that Russia provide more helicopters to the Afghan army. According to news reports, NATO also requested pilot training, spare parts, and fuel (Nikolsky 2009). Russian authorities agreed to consider the request, but Russia’s NATO ambassador, Dmitry Rogozin, warned that Moscow would expect payment for the helicopters. He added, “Problems from Afghanistan have already tumbled onto us … Our problem is different, heroin aggression, which is a genuine problem for our security” (“Report” 2009). At the time of writing, deliberations over the NATO request were continuing, but reports indicated that Russia would probably provide MI 17 helicopters to Afghanistan.

In addition to helping NATO, Moscow seems to be preparing for renewed involvement in Afghanistan itself. Moscow is looking to refurbish any number of Soviet era projects and to participate in energy development and infrastructure projects (Kramer 2010). No one thinks that Russia would ever send troops back into Afghanistan, yet Russia seems to be preparing for the US withdrawal. The new Russian Ambassador to Afghanistan, Andrei Aветисян (2009), promised more attention from Moscow. He cited plans to train Afghan soldiers and police, as well as counter narcotics experts. He told Radio Free Afghanistan: “Many of your friends will have to go sometime, because they came from far away to help you. But when they go, we stay – together with your neighbours, we stay.” At an August 2010 summit in Sochi, Medvedev met with the presidents of Afghanistan, Pakistan, and Tajikistan. The joint statement issued at the end of the meeting focuses on strengthening multilateral cooperation among the four nations in fighting terrorism and drug trafficking, and developing regional economic cooperation (BBC Monitoring, 21 August 2010). It is ironic that after two decades, Russia is moving to re-engage with Afghanistan.

**Iranian dilemmas**

When in August 2010 the Russians loaded the first fuel rods into the reactor at Bushehr, it marked the culmination of a construction project that Russia had taken over 15 years earlier. But the launch of Bushehr comes amidst growing international concern and condemnation of Iranian determination to master the uranium enrichment cycle. Russia’s delicate balancing act between the imperatives of cooperating with the international community, which seeks to impose sanctions on the Iranian regime, and maintaining its beneficial economic and political ties with the Islamic Republic leads to a contorted foreign policy. It should be stated at the outset that Moscow understands the implications of a nuclearised Iran, but sees the threat as less for it than for the West.

Although Russian–Iranian relations go back to the tsars, current policy needs to be understood in the context of the post Soviet period. Moscow and Teheran enjoy a reasonable working relationship: Iran helped Russia bring peace to Tajikistan in the 1990s; both shared antipathy to the Taliban; Teheran has a good relationship with Moscow’s ally Armenia; and Iran has not criticised the two Chechen wars. In addition, the two are parties to the long, drawn out
negotiations over Caspian demarcation and resources. When relations between Washington and Moscow were strained – before the “reset” – each saw the other as an ally against US unilateralism.

For the Russian Federation, Iran has served as a large market for arms and for nuclear technologies. The Bushehr reactor, alone, is calculated to bring the Russians at least one billion dollars; in addition, the Iranians have promised more contracts in the future. Iranian defiance of the International Atomic Energy Agency (IAEA) demands has repeatedly put Russia in a very uncomfortable position. Each time Iran was challenged by the IAEA, Russia delayed completion of the reactor. In an attempt to assuage the concerns of the international community, Moscow persuaded the Iranians to agree to the return of the spent fuel rods from the reactor. Russia has also attempted to rationalise its role in Iran as a potential mediator between Iran and the West (Saivetz 2007). At one point in the prolonged negotiations with the international community, Russia offered to enrich Iranian uranium and to return the low enriched uranium to Iran. The Ahmadinejad government refused the offer.

To date, four rounds of sanctions have been voted by the United Nations Security Council. Although Russia voted for the resolutions, each time it worked to weaken the impact on Iran. In general, the Russians argued that although sanctions have their place, negotiations should be tried first. Increasingly frustrated with Iran’s refusal to cooperate with the negotiation process, Medvedev announced in mid September 2009 that although they are not very effective, “some times you have to embark on sanctions” (Reuters, 15 September 2009). It is important to note that this change in tone came after President Obama announced the cancellation of the Bush era missile defence programme.

Most tellingly, Russia was embarrassed by the revelation that Iran had concealed an enrichment facility at Qum. The disclosure seemed to push negotiations forward and, at one point, it looked as if a deal might be cut. The IAEA drafted a tentative agreement by which the Russians would process low grade Iranian uranium and France would turn it into fuel. Russia clearly stood to gain by the deal – financially from the enrichment and politically from the postponement of sanctions. In the end, however, the Iranian government rejected the agreement its own negotiators had accepted earlier.

Throughout winter and spring 2010 the United States focused on persuading both Russia and China to support a new UN resolution on sanctions. Finally on 9 June the UN Security Council voted new sanctions: the measures are directed at preventing sales of military equipment to Iran and disrupting trade and financial transactions undertaken by the Revolutionary Guard. The sanctions also targeted 40 individuals linked to Iranian nuclear procurement. The resolution importantly bans the sale of weapons to Teheran. This last stipulation raises for Russia the question of the delivery of S 300 missiles that Iran had contracted for, but not received. Thus far, they have not been delivered, but various Russian government officials have issued conflicting statements as to whether or not the missiles are included in the ban.

Russian support for the sanctions elicited strong criticism from Iranian President Ahmadinejad. And when Medvedev (2010b) in the speech to diplomats cited above said that Iran was “getting close to acquiring nuclear capability that can be used, in theory, to create nuclear weapons”, Ahmadinejad accused Medvedev of dancing to the US’s tune (Reutov 2010). In turn, Russian spokesmen called the Iranian president’s words “unacceptable”.

Yet even before the harsh exchange between Ahmadinejad and Russian officials, Russia and Iran had signed a “road map” on joint oil and natural gas projects. These plans for bilateral cooperation would seem to undermine the sanctions regime that Russia had voted for only two weeks before. Iran, anxious to develop its oil and gas potential, is hoping that Russian companies will take advantage of these investment opportunities. Perhaps sending a signal to the West that Russia will retain its independence on Iran policy, Russian Energy Minister Sergei Shmatko stated
that sanctions were not a “hindrance” (RIA Novosti, 14 July 2010). This obvious bifurcation of Russian policy is, of course, illustrated by the Bushehr reactor. Even though the reactor was grandfathered into all US–Russian negotiations over the Iranian nuclear programme and the Russians have told the Iranians that Russian technicians will remain on site for two years, Moscow’s determination to go ahead with the project and the ongoing start up operations nonetheless runs the risk of derailing US–Russian relations. In the words of a commentator in Kommersant, Moscow is balancing on the edge of a sword; moreover, there is no alternative if “Russia wants to extract any positive outcome from the Iranian nuclear deadlock, while at the same time consolidating its own foothold in the global nuclear energy market” (Bogdanov 2010).

The “zone of privileged influence”

As noted in the introduction, the August 2008 war between Georgia and Russia was sparked by Tbilisi’s pro Western policies. Moreover, the Russian victory – as well as the manoeuvring in Kyrgyzstan – made it clear that NATO was unwelcome in Russia’s backyard. Russian President Dmitry Medvedev formalised the new era in Russian relations with the CIS when he declared on 31 August 2008 that the former Soviet space was a region in which “Russia has privileged interests”. He went on to say: “These regions are home to countries with which we share special historical relations. … we will pay particular attention to our work in these regions …” (Medvedev 2008). In the words of noted commentator Lilia Shevtsova (2009), the war was a “watershed” and “demonstrated the ruling team’s return to imperial ambitions and attempts to rebuild Russia’s spheres of influence”. Operationally, President Medvedev requested that the Duma change the process by which Russian troops could be deployed in the CIS. The amended law gives the president the authority to make emergency decisions, without parliamentary approval. Whether Medvedev or Putin becomes president in 2012, the law increases the likelihood that troops will be deployed again to protect Russian citizens abroad, the military deployed in foreign countries, or allies.

A detailed description of Russian policies toward the other Soviet successor states in the aftermath of the Georgia war is beyond the scope of this chapter (see Chapter 36 by Robert Donaldson). Nonetheless, attention should be paid to several specific cases – Ukraine, Central Asia (mention has already been made of Kyrgyzstan), and the Caucasus.

Throughout the autumn of 2008, observers speculated that Ukraine might be the next target for Russia’s newly aggressive policies. Thus, it was no surprise that on 1 January 2009, the Russian company Gazprom cut off gas supplies to Ukraine, and by extension to Europe, because of a pricing dispute. The crisis was resolved after two weeks when Prime Ministers Yulia Tymoshenko and Vladimir Putin agreed that preferential prices would remain throughout 2009, as long as transit tariffs were held at the same level. In 2010, prices were to rise to European rates and Ukraine would have the right to raise tariffs. Tensions simmered as the Ukrainians prepared to vote in presidential elections. The victor, Viktor Yanukovich, moved quickly to consolidate his majority in the Rada and effected radical changes in Ukraine’s relationship with Russia. Most importantly, at a summit in Kharkiv, Presidents Medvedev and Yanukovich agreed to an extension until 2042 of the Russian Black Sea Fleet base in Sevastopol in return for a 30 per cent reduction in the price of natural gas. By some calculations this will amount to a 100 dollar decrease in price per thousand cubic metres. According to the deal, the amount of the discount will be credited against the significant increase in rent paid for the base. In actuality, the deal will cost the Russian government approximately three to four billion dollars a year in export duties that Gazprom will not be obligated to pay into state coffers. As the recession continues well into 2010, Ukrainians remain dissatisfied with the price of gas. Whether or not there are further
concessions, leading to a greater reassertion of Russian interests, in return for greater reductions in the price of gas remains to be seen.

In Central Asia, Russian policies, as noted above, have been crafted with one eye on Afghanistan and the other on the NATO presence in the region. This may be seen in the Russian attempts to invigorate troop levels and structures of the Collective Security Treaty Organisation (CSTO) and to create a rapid deployment force within it. Generally, the CSTO has revived military cooperation between Russia and the individual states’ military–industrial complexes, particularly in Kazakhstan, Kyrgyzstan, and Tajikistan (Laruelle 2009). To most observers, though, it is really not a multilateral force, but simply a Russian and Kazakh force, where the troops work in parallel and not together (Myasnikov 2009; Olcott 2009). Perhaps the best analysis of the rapid deployment force has been offered by the well known military commentator Aleksandr Golts (2009). Writing for the website Ezhednevniy Zhurnal (www.ej.ru), he noted: “And no matter what kind of decisions about rapid reaction forces you make, it is still impossible to imagine Kazakh airborne troops, who are fighting on Armenia’s side against Azerbaijan, or Belarusian parachutists, who are deploying in Uzbekistan.” It seems clear that the CSTO is intended – ultimately – to be both a force comparable to NATO, and a counterbalance to it. In the words of Aleksei Vlasov, Chief of the Centre for the Study of the CIS at Moscow State University, “The KSOR [rapid deployment force] is not a strategic project, but a tool that can be activated to solidify Russia’s positions in Central Asia …”. (Artemyev 2009). And a high ranking former military official expressed concern that the United States and NATO were trying “to surround” Russia with small bases (interview with high ranking former Russian military official, who requested to remain anonymous; Cambridge, MA, January 2010).

In energy politics, the other major focus of Russia’s Central Asia policies, competition with the West is an underlying theme. As Western companies became interested in the eastern side of the Caspian basin, Moscow attempted to monopolise Turkmenistan’s gas exports. In order to secure supply, Russia offered Turkmenistan the then prevailing world market rates for gas. However, once the global financial crisis struck, the state owned company Gazprom was forced to reduce the price it charged its West European customers. Thus Russia/Gazprom was paying Turkmenistan more than it was getting in sales of gas to Europe. On 9 April 2009, there was a “mysterious” explosion on the main export pipeline to Russia. Turkmen President Gurbanguly Berdumukhamedov alleged that Gazprom had stopped the flow, thus causing the explosion. It was not until December 2009 that gas exports were resumed, at a reduced price and in reduced quantities.

In the meantime, Turkmenistan completed two new non Russian export lines – to Iran and to China. The Iranian pipeline, which was completed in only six months, is relatively small. Its capacity is only 12 bcm (billion cubic metres) per year, but it supplements an existing 8 bcm pipeline to Iran. Not only does this add to Turkmenistan’s export capacity, but it also augments Ashgabat’s potential markets. Turkey is reportedly interested in purchasing Turkmen gas, via Iran. The Chinese pipeline was opened with much fanfare on 14 December 2009. In 2010, 13 bcm were scheduled to be piped, with an increase to 30 bcm by 2014. Beijing apparently fully expects to increase the pipeline’s capacity after 2013. Earlier, China had proffered a loan to offset the Gazprom cut off and it offered additional money to help develop the South Yolotan field. Because Gazprom has invested very little in new domestic fields, it needs Turkmen gas to meet its contract commitments. Now, with gas flowing to China and Iran, Gazprom faces a potential gas deficit – especially as Europe recovers from the financial crisis. Yet, Russia has not criticised the Chinese pipeline. If anything, Moscow seems satisfied that the gas sold to China is in effect denied to the EU proposed Nabucco pipeline.

These pipelines deals and others – especially with Kazakhstan – demonstrate China’s growing role in Central Asia. China is undoubtedly the world’s most rapidly growing economy and this stands in stark contrast to Russia’s, which is resource dependent and just beginning to recover from
the global financial crisis. The disparities create an interesting dynamic in Central Asia. Russia has little to offer, while China has invested up to 100 billion dollars in infrastructure projects throughout the region (Cameron 2009). Much of this investment facilitates Central Asia’s connections to the outside world – bypassing Russia. As a commentator in Nezavisimaya gazeta noted, because the Central Asian states no longer see Russia as a reliable sponsor, they are “drifting” toward rich donors. In ten years, Astana, for example, will more likely be involved with China (and the EU) than Russia (Panfilova 2010). Russia is slowly ceding its inherited role as regional hegemon to China.

In the Caucasus, the Georgian war has shaken up the long standing geopolitical logic of the region. First, it led to the intensification of efforts to end the hostility between Armenia and Turkey. The two neighbours had long been at odds, both over the question of the 1915 Armenian Genocide and the conflict over Nagorno Karabakh. Although, the history of the disputed territory of Nagorno Karabakh is beyond the scope of this chapter, it should be noted that Moscow has generally supported Armenia in its territorial claims against Azerbaijan, while Turkey supported Baku, and in the aftermath of the 1993 war closed its border with Armenia. Between 1994 and the Georgian war, Armenia had only one open border and the war in Georgia left it with little ground access to the outside world. In that sense, it seemed logical for the government in Yerevan, in the hopes of reopening its borders, to attempt to unfreeze relations with Turkey. Azerbaijan felt deserted by its long time supporter, especially once it became clear that the protocols of reconciliation between Ankara and Yerevan did not include any mention of Nagorno Karabakh. There were even some suspicions in Baku that the rapprochement has been orchestrated by Russia to assist its client, Armenia. Yet, larger geopolitical issues seem to be motivating Moscow. Russian media report that Moscow would consider pressuring Armenia on Nagorno Karabakh if Azerbaijan would be willing to agree never to host NATO troops (Peuch 2008). Both Russia and the United States urged the rapprochement, but it faltered over Nagorno Karabakh.

Second, it would seem, as a result, that Moscow has benefited from the failure of these international efforts. First, Russia and Armenia have just signed a deal to consolidate the former’s military presence in Armenia. The agreement extends the lease on the Gyumri base until 2044 and guarantees Armenia’s territorial integrity – not just along the border with Turkey, but also that with Azerbaijan. Second, Moscow has apparently sold S 300 surface to air missiles to Baku. Azerbaijan has further augmented its dealings with Russia with the signing of a new gas deal. Earlier, Gazprom has offered to buy any gas that Azerbaijan might sell. This newest arrangement more than doubles the amount of gas exported to Russia. These new military and energy deals create tensions in the region and lead to a number of interesting observations and questions. Commentators note that Yerevan has no offensive weapons that might necessitate defence with S 300 missiles. They add that perhaps the missiles would be used against a potential Iranian attack (Mukhin 2010). However, if Iran were not the threat, they question whether Baku would use the S 300s if it went to war over Nagorno Karabakh. With regard to the gas sales, pundits wonder whether Azerbaijan is trying to lure Moscow to back it instead of Armenia or whether the deal is a “bribe” to Moscow to limit future arms deliveries to Yerevan? One might also wonder if Azerbaijan is using the gas sales and the purchase of the S 300s as a signal to Washington that the Obama administration has neglected its relationship with Baku. Or is Moscow trying to preempt Washington? Medvedev reportedly rescheduled his trip to Baku so as to see Azerbaijani President Ilham Aliev prior to the latter’s trip to the United States.

Trends and prospects

As this chapter has argued, there is an inherent duality in Russian foreign policy towards the United States. One policy imperative is to reassert Russia’s great power status and to ensure that Russia has a say in global issues. The second is to modernise the Russian economy. Many observers assume that
modernisation means more engagement with Europe and the United States. Arguably, the Obama Administration’s “reset” is designed to tip the balance toward the second imperative.

It would seem that, thus far, the “reset” has worked best in the sphere of arms control. The START follow on treaty institutionalises moderate cuts even as it limits verification procedures. According to Fyodor Lukyanov (2010a), both sides achieved their goals even though nothing much has really changed. According to him, “It was important for Moscow to have confirmed its status of an exclusive partner”. He goes on to say that the United States, simultaneously, needed a symbolic success. Other Russian commentators, however, wonder whether or not Russia short changed itself. Writing for the Carnegie Endowment, Alexei Arbatov and Vladimir Dvorkin (2010) question whether or not the Russians were short sighted when it came to the exchange of telemetric data. Given that the United States is testing non nuclear precision guided warheads, they ask, wouldn’t Russia be better off having access to the US information?

With regard to Afghanistan, the twin imperatives seem equally balanced. Russia has agreed to allow 4,500 over flights per year and seems poised to honour the NATO request for helicopters. Yet, Moscow still hopes that the interim Kyrgyz Government will ultimately close the base at Manas and Russian military authorities are planning a new CSTO base in Central Asia. Moreover, recent initiatives indicate that Russia is preparing for NATO’s withdrawal from Afghanistan, by renewing military and economic relations with the government in Kabul.

The Iranian nuclear issue presents a slightly different set of policy dilemmas. There the issue is not modernisation but financial gain. And that weighs heavily on policy calculations. Rosatom and the whole nuclear industrial complex stand to gain with the completion of Bushehr, perhaps the first of many projects in Iran. At the same time, for the modernisation drive to succeed, Russia needs to cooperate with the West on sanctions. Right now, Moscow is attempting to have it both ways. Again quoting Lukyanov (2010c), not necessarily a fan of the “reset”, the start up of Bushehr may indeed be the end of the “reset”.

Inherent in this statement is a recognition that US and Russian interests do not necessarily coincide. Nowhere is that more clear than in the post Soviet space. The Russian victory over Georgia basically ended Tbilisi’s quest for NATO membership, and, as this chapter has argued, Russia remains concerned about the prolongation of NATO’s presence in Central Asia. Moscow has increasingly militarised its CIS policy and its recent moves to expand the military presence in both South Ossetiya and Abkhaziya have met with very little comment from Washington. Finally, despite the reluctance to become involved militarily in Kyrgyzstan, Russia’s latest military basing agreement with Armenia indicates that it is looking to be the guarantor of security around its perimeter (Trenin and Trenin 2010).

This discussion has not focused at all on domestic politics. But, of course, they play a role on both sides. The opacity of Kremlin politics makes it difficult to ascertain which groups are promoting which policies. We do, though, know that there are lobbies pushing business interests in the energy and nuclear industry spheres. In the United States, in an election year, there is pressure from conservatives who feel that the START treaty conceded too much to the Russians and that the United States has deserted Georgia. It would seem fair to conclude that domestic politics in either country could tip the balance in any of the issue areas towards a more hard edged foreign policy. The harder line tendencies are there, especially with regard to Iran and the post Soviet space. The latter may well be the major obstacle to a true “reset”.

Note
1 First coined by Yevgeny Primakov, the term came to symbolise Russia’s search for co-equal status with the United States. If there were multiple centres of power, then the United States’ unipolar moment would have faded.
The White House, Office of the Press Secretary (2009), “Joint Statement by the President of the United States and the President of the Russian Federation on the Expiration of the Strategic Arms Reduction Treaty”, 4 December.
Russian foreign policy in Asia

Gilbert Rozman

With the collapse of the Soviet Union, Moscow found its territorial and diplomatic dependence on Northeast Asia greater than in the past. The loss of the western republics, most importantly Ukraine, and the extension of the EU and NATO raised the importance of the Russian Far East and Siberia in the reduced Russian Federation. Switching from being a largely autonomous industrial leviathan to a one sided raw material and energy exporter re drew the economic map of the country, increasing attention to eastern markets. Finally, in search of an international balance of power, Moscow turned eastward, not as in the aftermath of the Crimean War to find its own arena for imperial influence, but to take advantage of the dramatic rise of states in the region, especially China. Having already turned to China in the 1920s to promote international revolution and in the 1950s as the gateway for an Asian socialist bloc, Moscow faced the challenge of improving on prior experience of misjudging China’s development and its malleability within regional policy. The historical record reveals that it has proven much more difficult for leaders in Moscow to strategise about the eastern flank than the western one (Legvold 2007). Leaders in the 1950s not only failed to spread communism by means of a North Korean attack on South Korea and appeals for a revolution from below in Japan, they miscalculated with their most important ally, China, and found optimistic plans in Asia in jeopardy (Westad 1998; Luthi 2008). In the 1960s a hard line stance against China and ideological rigidity left no room for flexibility when the Cultural Revolution ended (Rozman 1983, 1985), while plans for enlisting Japan in the development of Siberia and the Russian Far East were not accompanied by political compromises or relaxation of ideological barriers (Rozman 1988). Despite taking satisfaction from Vietnam’s victory over the United States, Moscow suffered its greatest setbacks in the 1970s when Sino US normalisation and the rapid rise of Japan and South Korea left it too reliant on a belligerent North Korea and on a militarised approach, which distorted the country’s development and left it mired in a war in Afghanistan and complicit in the Vietnamese occupation of Cambodia. Although steps were taken to change course in the 1980s, starting with Leonid Brezhnev’s approval of normalisation talks with China and culminating in the multiple initiatives by Mikhail Gorbachev (Rozman 1988, 2000), Moscow emerged in 1990 with little leverage in a region already regarded as vital to its great power standing, territorial integrity, and national identity centred on a strong state capable of shaping events along all of its borders. Given other urgent needs, finding a new direction toward Asia was delayed. As the Cold War was ending Moscow was in full retreat without the agreements it had envisioned as ideal for transitioning to a new era of political stability and economic integration. Washington refused to consider a regional security framework or multilateral arrangement to ensure the future of Afghanistan, leaving Gorbachev no choice but to cut Soviet losses in a hasty
retreat. Similarly, he withdrew support for Vietnam and agreed to a pull back of the Soviet build up on China’s northern border without rewards except for accelerated talks. Beijing was sympathetic to opponents of Gorbachev in the hope that he would be overthrown after his visit to normalise ties failed to build trust or show the way forward (Rozman 2009). When Yeltsin gained power instead of communist hard liners the prognosis for Sino Russian ties appeared grim. Tokyo was missing opportunities to show flexibility on its territorial demands (Togo 2007), delaying a visit by Gorbachev until it served minimal purpose. Finally, efforts to normalise ties with Seoul went forward in the face of Pyongyang’s warnings that Moscow would lose any influence on intra peninsular affairs, and that result soon troubled Russia’s security/foreign policy elite. If Gorbachev and Yeltsin could at first put a positive spin on the transformation of ties to the West – entering the common European house, Atlanticism, and a plethora of agreements to tear down the “Iron Curtain” and bring economic assistance – they had little to show for their initiatives taken toward the East. By late 1992 Yeltsin was furious with Tokyo for not taking seriously his secret offer to return two islands, was upset with Seoul for reacting to non payment of interest by reconsidering the delivery of the remainder of the $3 billion in promised assistance that had been vital to the deal on normalisation, and regretted letting relations with China slip as he focused on the West (Rozman et al. 2006).

Options dangled before the Kremlin to combine globalisation and regionalism in Asia proved to have little appeal. The Clinton administration launched the upbeat Gore–Chernomyrdin commission with the Russian Far East high on its agenda, anticipating a favourable investment climate for multinational companies eager for energy and natural resource projects. This followed success in energising the multi national Sakhalin 1 and Sakhalin 2 projects for oil and gas development on the basis of joint exploration from the 1970s, in which Japan had played a large role. Yet, national and local leaders refused to replicate the production sharing agreements in those exceptional cases, while Russian officials and courts applied existing laws in a manner that stripped foreign investors of assets, eventually gaining majority control in Sakhalin too. Despite rhetoric highlighting a division of labour that would spark regionalism through combining the abundant capital of Japan, the advanced technology of Japan and the United States, the vast markets of Japan and South Korea, the large labour surplus of Northeast China, and the cornucopia of resources in the Russian Far East and Siberia, Russians baulked at any arrangement that would leave them as merely a raw material exporter without enabling conditions that would lead to other types of development. While suspicions of Chinese illegal migration as “quiet expansionism” and shoddy export goods as dangerous commerce drew most attention, hostility toward industrial parks and large scale foreign investment stymied efforts by Japan, South Korea, and the United States too. The resultant impasse left a sense of crisis both in Asiatic Russia and in circles resentful of Yeltsin’s early moves.

In 1994–96 a wide ranging review of Russian foreign policy in Asia took place in the Ministry of Foreign Affairs, culminating in a series of adjustments linked to a strategy of multipolarity after the appointment as Foreign Minister of Yevgeny Primakov, a veteran Kremlin figure (Panov 2006). It began with acknowledgment of the failings of Yeltsin’s early strategy. The main elements of the new strategy were (1) to place high priority on the Asia Pacific region; (2) to strengthen ties to China and India as two poles in an emerging world order, forging a strategic partnership with the former that would put the United States on notice; (3) to invigorate ties with Japan, cautiously discussing the territorial issue only in a broad context of improving relations; (4) to regain leverage over the Korean peninsula, reaching out to North Korea while maintaining ties to South Korea; and (5) to develop Siberia and the Russian Far East in a manner that will keep them an integral part of Russia’s economy and top down political order, sustaining their populations and, only on the basis of central control, bringing them into the dynamic regional order (Chufrin 1999). Yeltsin
took some steps to realise these goals, but it was left to Vladimir Putin to clarify them by
developing a strategy capable of pursuing all of them together. Yet, even as Putin drew praise
for firm leadership, developments in East Asia and the world would keep testing the coherence of
this combination of objectives in the absence of a wide-ranging strategy of globalisation (Azizian
and Resnik 2006; Trenin 2002).

The Yeltsin era was a time of transition as strategic interests were clarified. With anti
Americanism intensifying, the importance of China as a balancer kept growing. If in the first
part of the 1990s Beijing pressed Moscow to stand firm against hegemonism and other alleged US
moves to weaken its rivals, at the end of the decade Moscow was no less vehement in its
denunciations of US behaviour, even if Yeltsin’s accommodations at times belied this rhetoric.

While Russian objections to US actions centred above all on Europe/NATO expansion (at
decade’s end the war with Serbia topped the list), concerns extended to Central Asia, where US
inroads in energy and NGO promotion came under criticism, and even Northeast Asia, where
Russia’s exclusion from talks on North Korea was blamed on the United States. Mounting
resentment led to exaggerated concern about alleged US plans to marginalise Russia and, despite
demagogic alarm from governors from the Russian Far East and some newspapers, underestima-
tion of China’s rise and its likely impact. If a residue of rhetoric from the Sino-Soviet split survived
in charges that China posed a threat and even in xenophobic warnings of a “yellow peril”,
authoritative foreign policy experts took a “realist” stance that prioritised good relations with
China in an effort to achieve a balance of power with the hegemonic United States (Titarenko
1998). Asia was not a priority; China drew attention primarily for its affirmation of a world view
that reinforced a more assertive Russian national identity and for the leverage it bestowed on
Russia in great power affairs and on Putin as the strongman that Russia requires.

In Putin’s first years as president he took a multi-directional approach to relations in Asia. Three
summits in as many years jump started ties with North Korea on the basis of Putin’s personal
connection with North Korea’s Kim Jong il. Yet in January 2003 as the second nuclear crisis
deepened, Putin’s emissary was rebuffed when he tried to win Kim’s approval for Russia to serve
as an intermediary. Reviving diplomacy with Japan, which Yeltsin had earlier agreed to intensify
in the “countdown to 2000”, Putin made clear at the March 2001 Irkutsk summit with Mori
Yoshiro that Russia would abide by the 1956 agreement that promised the return of two islands to
Japan after a peace treaty was signed, as Japan’s negotiators prepared for separate negotiations on
the remaining two islands in dispute. Yet, in April 2001 Koizumi Junichiro began his tenure as
Prime Minister by rejecting this approach, leaving the Russians with no way forward except to try
to bypass the territorial issue. Despite recurrent lip service to the notion that Russo-Japanese
relations were again moving forward, bolstered by improving trade, few signs of progress followed
during this decade (Ferguson 2008). A surge in arms sales to Southeast Asia gave Russia hope that it
could again become a player in that region, although in planning for the establishment of the East
Asian summit including in addition to ASEAN + 3 India, Australia, and New Zealand, Putin’s
2005 plea to add Russia to the list went unheeded. As US ties to India improved, it was difficult to
sustain claims that a special bond persisted between New Delhi and Moscow. Apart from rapid
economic growth due to rising demand for oil, gas, and other natural resources, Putin had little to
show for his multi-directional Asian diplomacy. Ties to China remained firmly in the foreground,
but, beneath a calm façade, bilateral tensions were mounting as China grew more confident and
Russia faced pressure to respond with greater deference (Bellacqua 2010; Lo 2008).

Through his two terms as president to 2008, Putin’s foremost challenge in Asia was to find a
suitable balance between the United States and China. After the terrorist attacks on the United States
on 11 September 2001, he gave the green light for the establishment of US bases in Central Asia,
facilitating the war effort in Afghanistan. For a time the Chinese were nervous that Putin was
backtracking on commitments to their strategic partnership. He had not given priority to Chinese
ties in his first years, despite the signing of a treaty of friendship in July 2001. Another about face
occurred when Putin agreed with Koizumi in January 2003 to construct an oil pipeline to
the Pacific coast, putting in jeopardy plans to build the pipeline to Daqing in Northeast China,
which was eagerly sought as a means to greater energy security for China. Prior to the start of the
Iraq War, Putin appeared still to be searching for balanced relations in Asia rather than prioritising
China. Yet, frustration with the Bush administration was growing, and Putin relied heavily on
China. After early hesitation about a regional grouping known as the Shanghai 5 and uncertainty
about how firmly to back China’s enthusiasm for its expanded successor, the Shanghai
Cooperation Organisation (SCO), Russia found merit in joint military exercises that sent a
message to the United States and its allies. In the Six Party Talks it also shifted toward support
for China’s position, which long stressed the importance of new US concessions to gain the trust of
North Korea. At his peak of anger against the United States in 2008, Putin was highlighting close
ties with China’s leaders without seeking a regional balance. After Dmitry Medvedev was elected
President, changes in the balance of power and newly urgent modernisation requirements would
 cast some doubt on this reliance.

Russian specialists are searching for a regional strategy that sustains the strategic partnership
with China while realising more balance with other states (Lukin 2009). In their deliberations they
stress activating Russia’s role in the region with implications that this requires expanded ties
beyond China and strengthening the position of the Russian Far East, which also suggests
diversification. In this balancing act, growing tensions in the region, especially between China
and other states, provide an opportunity that may be seized without presumably antagonising
China or increasing Russia’s dependence on it. This keeps options open in a kind of strategic
ambivalence useful versus the West (Kuchins 2010).

**Russian relations with China in 2010**

Sino Russian relations were never as close as both sides claimed. An assertive Russia flush with oil
and gas revenue also could challenge China, especially in Central Asia. Yet, when it was battered
by the global financial crisis in 2008, its need for money from China appeared to alter the balance.
One problem was removed when Russia, in return for a $25 billion payment to its oil industry,
agreed to the completion of the oil pipeline under construction from West Siberia to Skovorodino
near the border with China to Daqing, leaving in doubt whether sufficient oil would be available
to also construct a pipeline across the Russian Far East to the Pacific coast near Vladivostok, as
Putin had been insisting. A greater sense of vulnerability in Russia, however, combined with a new
atmosphere in relations with the United States after Barack Obama took office to put relations with
China in a different context, causing Sino Russian relations to lose some of their rationale. After
all, China appeared much stronger when its continued rapid growth contrasted with the economic
turmoil of other states, especially the United States. On security matters Sino Russian differences
could be detected on many fronts, especially as China grew more isolated in its reluctance to
pressure Iran and North Korea. Moreover, Medvedev’s emphasis on all around modernisation
hinted at a shift away from the model embraced by Putin, which downplayed integration with the
West and foreign investment while doing little to curb rampant corruption. Finally, cultural ties
with China continued to suffer from Russian distrust. Beneath the façade of mutual trust, Russian
concerns did not fade away about Chinese immigrants, future Chinese expansionism, and Chinese
as business partners. These were especially manifest in the Russian Far East, which sensed the
Chinese presence most acutely (Larin 2006). Moscow was open to some rebalancing of its foreign
policy, but, recalling marginalisation in the 1990s, preferred China to the West.
Even as security concerns drew the two states closer for more than a decade, links between the two economies were becoming a more important test of how close they will remain. While China has sought maximum access to Russian energy and other natural resources, it has found Russia unreliable at times and pursued diversification in order not to become too dependent. In turn, Russia has increasingly depended on Chinese suppliers for diverse products, but it keeps smarting at a division of labour that leaves very little room for Russian industrial exports. In the 1990s barter transactions tested bilateral trust in the midst of numerous complaints of deception and criminality. Later, Russian crackdowns on Chinese traders and new legal restrictions abruptly undermined patterns of commerce that had served both sides. Protective of monopolies, Russians fear Chinese entrepreneurship. Urgently in need of migrant labour, especially in regions that border China, Russians are resistant to Chinese coming in large numbers. Economic cooperation is unlikely to become a driving force for major improvements in mutual trust. Yet, doubts in Russia about the durability of their economic model led to increased dependence on China: for investment in Siberia and the Russian Far East, as the fastest growing market for Russian exports, and as a state centred model in opposition to the discredited model of Western capitalism, for which Russians conveniently blame the global financial crisis. As China accumulated huge capital reserves, Russian hopes persisted of attracting funds for the development of Siberia and the Russian Far East, especially for industrial projects.

In 2010 Russian leaders continued to insist, as they had for more than a decade, that their strategic partnership with China was an unqualified success, serving as a model for bilateral relations in a new age. They had publicly embraced this relationship for many reasons. Once anti American attitudes had been strongly aroused in the second half of the 1990s, an image of cooperation with the principal rival of the United States added to the popularity of the Russian leadership. In addition, having been marginalised in the international arena, Russia’s officials and all those who cared about their country’s status could stand taller as an active partner of China in pursuit of a different global order under the welcome slogan of multipolarity. Yet, an assertive China in the midst of perceived global reordering following the world financial crisis from 2008 appeared in a different light than the country that after the Cold War had seemed isolated and poor and deferential in its eagerness to enlist Russian help in arms acquisitions, Central Asian access, and strategic partnership in search of a balanced world order heading toward multipolarity.

The Sino Russian relationship remains the centrepiece in Russian foreign policy towards Asia. More than a multilateral arrangement with the United States and its allies, this partnership satisfies Russia’s quest for self esteem. It projects an image of Russian resistance to the forces seeking to impose a security framework and global civilisation. In the first decade of the twenty first century when Russians yearned for a strong state and were tempted by many strains of xenophobia, China offered a degree of reassurance that Russia’s voice would be amplified and US designs – especially Bush’s unilateralism – would be foiled. In 2010 Obama’s eagerness to “reset” bilateral relations coupled with more moderate Russian foreign and domestic policies gave Medvedev space to explore other options without taking any action that might jeopardise the China connection.

Medvedev visited China in September 2010 to mark the opening of the oil pipeline to Daqing and to visit the Shanghai Expo on Russia Day. He appealed for more Chinese investment, especially for the new high tech complex he is championing outside Moscow. Once again, leaders of the two countries spoke of relations reaching a new high as problems were kept out of sight. The strategic merits of an image of close cooperation were persuasive a decade earlier and continued to garner support (Panchenko 2005). Amidst speculation that Medvedev valued closer US ties with their implications for long term modernisation and Putin leaned to Chinese ties with continued promise to reorient the Russian economy towards Asia, the tandem found a balance in great power relations.
Beneath the surface of Sino-Russian cordiality and an unwritten code of silence in place of the Sino-Soviet legacy of mutual invectives, competition has intensified over the resources of inner Asia and transportation routes associated with them. Mongolia is one venue in this little reported struggle. In the summer of 2010 as plans unfolded for a vast coal mine just 200 km from the Chinese border, Mongolian leaders decided to reject the less expensive direct railroad spur to China, which is eager to be the principal market, in favour of a 1,100 km route using the wide gauge rails found in Russia. This reduces the country’s dependence on China, which previously had shown how its displeasure with an invitation to the Dalai Lama could lead it to close the border, while also raising hopes that an industrial complex would emerge in southern Mongolia utilising domestic natural resources rather than just exporting them. Given Russia’s large stake in the Mongolian railway system and its financial assistance on this project, there was no doubt that the outcome was welcome as part of a strategy to outflank China throughout inner Asia. In not making a show of this rivalry, Russia’s quiet diplomacy towards China was sustained.

**Russian relations with Japan in 2010**

Rarely was there a sense of normality in relations between Russia and Japan, each of which in the 1990s had faced a need to switch models of development but had yet to find an enduring new model when the global financial crisis hit in 2008–09. While Putin and Koizumi each appeared for a time to be setting a new, sustainable course, neither country was able to shake off signs of an economic impasse in 2010. Given the long term expectations of complementarity between the Russian and Japanese economies and rising awareness of overlap in regional foreign policy objectives, prospects for a breakthrough kept drawing attention. When Medvedev and Prime Minister Hatoyama Yukio, leader of the newly empowered DPJ (Democratic Party of Japan), signalled their intention to put bilateral relations on a fast track in the autumn of 2009, speculation resumed that the timing was right for pragmatic compromises from both sides on the territorial dispute.

A quarter century after Prime Minister Nakasone Yasuhiro drew hope from the emergence of Gorbachev as the Kremlin’s new leader, the two sides were still fixating on every change in leadership as a possible sign that relations could be transformed. For the Russians, despite repeated disappointment that Japan’s leaders and public are ill disposed to any agreement that would not require the transfer of all four disputed islands, the shift from LDP (Liberal Democratic Party) to DPJ rule reignited hope. After all, Hatoyama’s father was the prime minister who had re-established diplomatic relations in 1956 and the new leader left no doubt that he would break from recent foreign policy by prioritising Asia. Yet within a few months Hatoyama’s popularity was plummeting at the same time as offensive Japanese Diet testimony on the islands reignited Russian pessimism.

It was widely assumed that Russo-Japanese economic cooperation was impaired due to the unresolved territorial dispute. In the late 1980s Japan had insisted on the “entry approach”, whereby dispute resolution stood as the price for entering into negotiations on economic matters, which Japanese assumed would confer benefits on Russia. Later calls for some sort of parallel talks also reflected Japanese conditionality (Hasegawa 1998). Yet, in the period of growing trade to 2008, Japanese interest in expanded ties struggled against barriers such as uncertain legal protection. With the addition of an LNG (liquid natural gas) plant on Sakhalin that would supply a steady stream of gas to Japan, hopes again rose in 2008. As Russia’s economic boom persisted, some larger Japanese firms were investing. Yet, with the economic downturn that followed, such investments did not look promising. Discussions of large infrastructure projects in the Russian Far East were at a standstill. Yet, Russia continued to harbour hopes for an energy corridor of
Sakhalin–Khabarovsk–Vladivostok, which could accomplish multiple objectives. It would entice foreign investors, primarily Japanese, to take advantage of the cheap energy and ample land to support the establishment of a vast manufacturing sector. At the same time, it would become a magnet for pipelines and raw materials from Siberia and elsewhere in the Russian Far East, which would serve to integrate Asiatic Russia more tightly, notably by expanding in migration from other parts of the country. Finally, the corridor would promote a balanced regional foreign policy, reducing dependence on China, extending to the Korean peninsula, and attracting international capital. If Japan agreed to play a large role in developing this complex close to its own territory, these plans looked promising.

After a quarter century of speculating that Japan would commit to developing the Russian Far East, Russians had little optimism and also little realism about the problems at hand. Without committing to globalisation, including supportive conditions, Russia had little chance of realising ambitious economic plans involving Japan. Even after the two sides began a bilateral dialogue on strategic issues in 2007, Russia did not replace its narrow notion that a long run perspective essentially means Japan putting aside its calls for progress on the territorial issue without Russia laying the groundwork for meeting international standards of commerce and cross border cooperation. If during the quarter century of the Sino Soviet split Moscow proved unprepared to face a changing China, it is again lagging in debate and signals to Tokyo that once Japanese policies become more pragmatic it will be ready to respond, notably by appealing to Japanese public opinion.

**Russian relations with the Korean peninsula in 2010**

Russians regarded their diplomacy in the 1990s toward North and South Korea as a failure. The shift from ally of the North to partner of the South did not bring the desired economic rewards and it left the unwelcome political sensation of impotence in a fast changing arena on Russia’s exposed frontier. Putin’s early courting of Kim Jong il gave hope of a decisive readjustment, whereby Russia would play a pivotal role just as the most critical steps would be taken towards a regional security mechanism and Korean reunification. Although Russia did not gain the role it envisioned in early 2003 when it sent an emissary to Kim at the start of the second nuclear crisis, it did secure a place in the Six Party Talks that at least affirmed its relevance in these important negotiations.

North Korea served as a bulwark against the spread of US power to the vicinity of Vladivostok, posing a threat to the exposed Russian Far East. This reasoning endured even after South Korea expressed the independence of its foreign policy in overtures to Gorbachev and then through Kim Dae jung’s “Sunshine Policy” of engagement of North Korea and encouragement of multilateral initiatives involving Russia. On the one hand, Russians insisted that their country was the natural partner of a united Korea in striving for a balanced region and having no ambitions to turn the peninsula into a wedge for its own regional hegemony. On the other, signs revived of the legacy of Soviet thinking that no matter how provocative North Korea’s behaviour, it must not be pressured in a manner that could give South Korea the advantage in reunification. Before the North tested a nuclear weapon in the autumn of 2006, Russians largely blamed the United States for failing to negotiate in good faith with a state that was just exploring the nuclear option in order to avoid outside pressure for regime change. Later they found new cause to blame US rigidity (Rozman 2010). In the spring of 2010 after North Korea had torpedoed a South Korean naval vessel, Russians again were hesitant to take a strong stand, sending a team to investigate but refusing to offend any party by revealing the results. In this reluctance they lent support to China’s growing clout in setting the limits on UN Security Council sanctions against the North and fixing the amount of assistance and trade that would keep the North’s economy afloat. This played into China’s hands as its leverage kept growing.
In 2009–10 when North Korea broke away from the framework of the Six Party Talks, the split on how to respond grew more polarised. After assuming office in 2008, Lee Myung-bak made clear that denuclearisation would become the priority in Seoul’s policy, and as the North’s rhetoric and behaviour grew more bellicose, the alliance with the United States drew closer. No longer isolated by its obsession with the North’s abduction of Japanese citizens, Tokyo coordinated more closely with Lee and Obama. In contrast, Beijing resented Seoul’s foreign policy shift, tightened economic relations with the North, and hosted Kim Jong-il in May 2010 despite clear signs that he had ordered the sinking of the South Korean ship. Moscow had joined with Beijing in 2009 to soften the Security Council sanctions on the North, and it was participating in the development of the Rason port near the shared border of the three states. By refraining from taking a strong stand against the North’s conduct, it not only was cooperating with Beijing in preventing the emergence of a five versus one coalition, it also was abetting China’s growing dominance in peninsular affairs. As Obama courted Medvedev and Russian concerns about Western influence in Ukraine receded, the situation on the Korean peninsula tested whether it might readjust its outdated mindset and take a step for balance in Northeast Asia. This remained doubtful in the autumn of 2010 as Russian “even handedness” equated US responses to provocations, such as military exercises with South Korea, to North Korean belligerent behaviour. This meant echoing the Chinese position that concessions to the North are needed to restart the Six Party Talks without steps towards denuclearisation.

**Russian prospects for regionalism from 2010**

In the Brezhnev era, Soviet analysts had subscribed to the ideological critique of Asian–Pacific regionalism as nothing more than a plot aimed at containment and the perpetuation of US imperialism without benefiting regional stability or prosperity. If the speeches by Gorbachev at Vladivostok in 1986 and Krasnoyarsk in 1988 opened the door to a positive evaluation of regional integration, hesitation to open the city of Vladivostok until 1992 and failure to create favourable conditions for foreigners left Russians sceptical of the benefits from economic integration. Despite greater anxiety over China’s moves to fill the vacuum than over any other country’s policies, lingering distrust served China’s interests best. Its small scale traders were most tenacious in the face of adversity. Its local officials were most practised in the back room deals and corruption that substituted for normal market conditions, and its central government was most strategic in appealing to Russian great power pride and compromising on territorial disputes. On the assumption that close Sino Russian relations contributed to a balance of power, Russians generally brushed aside their fear of dependence on one state increasingly seen as more powerful.

One illusion that gave some comfort to Russian strategists was the idea that a broader Asia was taking shape in which China would not gain dominance. This both overlooked Russia’s specific location in Northeast Asia, where China’s presence is more pronounced, and Russia’s weak position in South and Southeast Asia in contrast to the 1970s 80s. The myth of an enduring special relationship between Russia and India and of India’s capacity to serve as a balance to China was slow to erode. Moreover, as arms sales increased to Southeast Asian states, Putin sought in vain to win their support in 2005 for Russian membership in the newly established East Asian Summit. Yet, given Russia’s weak economic presence in the Indian Ocean, it did not have the influence to gain broad support and it was not considered a viable counterweight. Asia continued to comprise multiple regions, toward which Russia’s territory did not cast one dark shadow but many smaller, light shadows apart from Central Asia and Mongolia. Since Iran and North Korea increasingly became pariah states for others, Russia’s impact could be felt. Also, where countries had been considerably Russified, the Russian diaspora and elite long oriented to Moscow could exert influence. Yet, these localised effects did not cumulate, especially by boosting Russia’s clout in facing a rapidly rising China.
India is a fixture in Russian thinking as a balance to China. Having romanticised Soviet–Indian relations in the Cold War and taken satisfaction from the continued salience of arms sales in post Cold War bilateral relations, Russians anticipated a triangle in which their ties to both rising Asian powers would be better than Sino Indian relations. In the late 1990sPrimakov stressed the importance of this troika in balancing the United States. Later, triangular meetings became an annual affair. The myth of special Russo Indian ties has been slow to die. Yet, it became clear that Sino Indian relations were more troubled than expected, influenced by Sino Pakistan cooperation and signs of multi sided moves to contain India. Russia also found that it lacked leverage as Indian–US ties eclipsed Russo Indian ties, and India’s diplomatic diversification quickened. With its entry into the East Asian Summit, Russia will find it difficult to navigate the Sino Indian divide. This will only compound its challenge of drawing closer to Southeast Asian states, above all Vietnam, as they seek support against China’s assertiveness in the South China Sea.

Calibrating the evolving balance of power of the United States and China as forces in Northeast Asia, Russians must determine a long term strategy for securing the Russian Far East, modernising their country with an effective capacity to capitalise on the future dynamism of East Asia, and maintaining a balance of power conducive to their country’s development and influence. Increasingly, China’s rise poses the most obvious challenge to these objectives. Its past territorial claims on part of the present day Russian Far East and demands for land during the period of the Sino Soviet split leave suspicions in the minds of many Russians about China’s intentions if its power may be unchecked. Furthermore, concern over the division of labour that has arisen with China points to the unsatisfactory impact of the spurt in bilateral trade during the first decade of this century on Russian modernisation. While the fault may be primarily on the Russian side, priority for technologically advanced sectors of the economy should lead to more attention to Japan, South Korea, and the United States. Finally, as seen in China’s growing influence in North Korea, concern about US domination on the peninsula is outdated. Realistic thinking about the balance of power on Russia’s eastern frontier should lead to efforts to hedge against China’s domination and to work more closely with South Korea and Japan as well as the United States. This would not mean containment of China or alliance ties with other states, but it would require improved ties in order to avoid heavy dependence on China such as emerged under Putin during his second term as President.

Already for a decade decisions on energy routes have stood at the forefront of any Russian plans for regional balance. While China gained some of what it wanted, Russia did not lose hope in making the Vladivostok area an energy hub for all of Northeast Asia. Medvedev kept encouraging Japan and South Korea to play a large role even as he fought within Russia to create conditions for “modernisation” able to reassure foreign firms.

While Obama and Medvedev explored a broad agenda in “resetting” relations, the rise of China loomed in the background. They could consider it as part of multilateralism in Northeast Asia, but that had not succeeded in the context of the Six Party Talks, which China chaired and steered away from joint efforts to contain the challenge of North Korea through pressure to denuclearise. Only by recognising their common interests in this region would Obama and Medvedev be able to overcome this impediment. Another possible venue is APEC, to which Russia is directing increased attention. By capitalising on talk of revitalising this organisation at the back to back Honolulu and Vladivostok summits in 2011 and 2012, they could increase coordination. Finally, the decision in 2010 to expand the East Asian Summit to include both Russia and the United States is raising the prospect that this 18 state organisation will gain prominence as a meeting place for the great powers to discuss the most pressing security issues in Asia. Wary of taking any move that could be construed as trying to balance China, Russia has so far been eager to be included in multilateralism without welcoming an agenda that firmly addresses security
challenges or seeks value consensus. This limits US cooperation and serves China’s interests, as its growing clout constrains Russia more than alienates it.

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