

Federalism Russian-Style and the Evolution of Center-Region Relations¹

By Nikolai Petrov
Macalester College
(petrov@macalester.edu)
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Russian federalism (FR) along with elections is perhaps the biggest achievement of the decade long troubled development of democracy in Russia. It's impossible to analyse it in full here, we'll try only to describe how it looks, how it works. A special emphasis will be made on the FR nature, federal institutions and practices, changes under Putin and prospects for future.

I. Nature of Russian federalism.

Origins of federalism in Russia

Out of two dozen federal states existing in the modern world, the ones that actually have the word “federation” in their names are few and far between. There are federations by substance, if not by name. Russia, a “federative republic” since 1917, is the opposite case. A paradox? Russian federalism knows too many paradoxes. Leonid Smirnyagin (1998) noted seven historical paradoxes of Russian federalism: genetic, geographic, cultural, institutional, ethnic, magnitudinal and formal; and five actual paradoxes: paradox of asymmetry, the *matryoshka* paradox, the paradox of power, the hierarchical paradox and the paradox of speed.

Although it's impossible to speak about almost a hundred years of the FR development, some of its embryos if not roots can be traced as long ago as in XI-XII centuries when the system of rotation of principalities' thrones existed in Kievan Rus' within Rurikovichi dynasty, and later, in XIII-XIV centuries, when Great Rus' under the rule of the Golden Horde 'was a very loose confederation of eleven large Russian principalities, divided into twenty smaller udelnyi principalities' (Shlapentokh et al, p. 32).

Vetches (people's assemblies), later *Zemskii Sobors*, then in XIX century step by step introduction of *zemstvo* system must be mentioned in order to avoid the impression that ideas of federalism and grassroot democracy were totally unknown in Russia until very recently. Not to speak about the fact that Russian Empire which included such a different parts as Finland with her own constitution and parliament, from one side, and Central Asian oases and nomadic khanates, from the other, was very heterogeneous and there were some elements of vertical division of power, variety of political institutions, and regional autonomy.

Soviet legacy. The idea that borders of regions of Russia are relatively new and artificial, drawn by Stalin's red pencil, is wrong in most cases, especially with regard to the European part

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of the country, where three quarters of its population and two thirds of regions are located. After the experiment with regions enlarging in 20-ies early 30ies Soviets came back to old habitual gubernia-like set of regions. A lot of them have marked recently their bicentennial anniversaries counting from Catherine the Great administrative reform.

The real Soviet innovation was combining ethnic and territorial principle in state-territorial composition in case of ethnic-territorial units which have never existed earlier. These units were appearing actively at a time of the Civil War starting from 1919 and later, during the “socialist state construction”. It reflected the usage of ethnic movements by Bolsheviks in order to win with their political project both in the country and abroad. Not only regional but even national borders were considered to be of minor importance on the eve of awaited all-world revolution. After the success with the first, national, and failure with the international part of their project Bolsheviks turned to highly centralised authoritarian state with certain elements of decorative ethnic federalism, fixed by Stalin’s constitution in 1936.

In case of proper Russia the model of “raisins in a loaf” was realized with about a dozen of first-level ethnic units and about a dozen more of second-level units inside “ordinary” regions. It looked similar to modern China, making thus any talks about Russian federalism that time avoided of any real sense². It was in early 90-ies only when some elements of federalism appeared in Russia. That’s why otherwise witty comment by Alfred Stepan that Russia “is the only country... in which many of the member units joined not *via* a Rikerian “coming together” bargaining process or *via* a “holding together” democratic constitutional transformation of a unitary state into a federal state, but by a heavily coercive “putting together” process” (Stepan, 2000, p. 139) is not pretty accurate. Russia’s path to federation wasn’t unique, it was “holding together” process just like in a lot of other cases.

Russian Federation composition

Russia replicated the federal-unitary ethnic-territorial structure of the USSR. Up to 1990 it was made up of 88 administrative units, 73 of which could be named primary and 15 secondary, i. e. subordinated to one of the former³. All secondary units: 5 autonomous oblasts and 10 autonomous districts, as well as 16 of primary ones (autonomous republics) were considered to be ethnic homelands for about four dozens indigenous ethnic groups, with the rest of 57 regions being just territorial or “proper Russian” ones including 6 krais, 49 oblasts and the cities of Moscow and St Petersburg. The 15 secondary units reflected the hierarchical matryoshka doll-like construction of Soviet government, with autonomous oblasts within krais, and autonomous okrugs within krais and oblasts.

The end of communism was accompanied by the “republicanisation” of Russia, with all 16+1 former autonomous republics (Chechen-Ingushetia split in two in 1992) and four of the five autonomous oblasts declaring themselves republics, and most of the autonomous okrugs declaring sovereignty, freeing themselves thus from the control of the corresponding oblast or krai and becoming subject of federation in their own right (See Kahn, 2000). Thus by 1993 Constitution Russian Federation consists of 21 republics, 1 autonomous oblast (Jewish AO), 10 autonomous okrugs, 49 oblasts, 6 krais⁴ and the cities of Moscow and St Petersburg, a total of 89 subjects of federation.

² “Soviet federalism” if to speak about union republics within the USSR is a different case, but it disappeared in 1991 with the disintegration of USSR.

³ Sakwa, Richard, *Russian Politics and Society*, 2 ed. (London and New York: Routledge, 1996), 36.

⁴ There used to be the difference between oblasts, usually smaller by territory and krais, bigger and located at the border (the word *krai* in Russian means both the big region and the edge), but it no more exists now.

To further complicate the picture one needs to say that there is only one autonomous okrug out of ten, Chukotka, that is considered to be totally independent 'subject of federation'. Other nine okrugs are still considered to be parts of a 'bigger subjects' – krais and oblasts. This contradiction in the constitution with okrugs being 'subjects of federation' and at the same time parts of other 'subjects' reflects the Soviet legacy with its complicated hierarchy of ethnic-territorial units and the complexity of the political situation at a time the constitution was adopted.

In 2001 the law has passed through the Federal Assembly on bringing new regions into Russian Federation. It makes possible not only expanding of the federation, but enlarging existing regions. Although there were long discussions about unification of both Moscow and St. Petersburg with adjacent oblasts, about bringing together Kemerovo, Tomsk and Altai krai in southern Siberia, the most probable case is the inclusion majority of autonomous okrugs, except may be of two northern 'Tyumen' oil and gas giants, back to their mother regions. In case of Irkutsk and Ust-Orda autonomous okrug some progress was already made in this direction.

General political development and modern Russian federalism

Russian federalism being young, extremely immature and very special by international standards, cannot be understood outside the context of this country's most recent political history and political environment. In a sense, FR is, in fact, a product of political instability of the past few years. The same thought can be formulated in a much harsher way: the main secret of Russian federalism is that there is no federalism in Russia at all. It is something like the naked emperor's new robe: without a lining of traditions and knowledge it is only a carelessly sewn garment that won't last long if actually worn. This garment is composed of the temporarily weakened Center where reforms have taken too long to be completed, and regional centers where the old elites have regained control much faster, if they lost it at all.

This doesn't mean, however, that there is nothing to lose. Imagine for a moment a scene a little bit different from the Andersen's fairy tale, with everybody else being naked, not the emperor only. Under these circumstances the very idea that it's better to be dressed as well as discussions about a virtual robe design would be certainly positive. The same is true with regard to FR: in spite of being rather virtual than real it was, first, shaping elites' and public opinion in a needed direction, and, second, it was embodying in flesh.

Russian federalism is almost nothing but a product of political instability of the recent years. Very weakly rooted in society, it is mostly a reflection of the balance of power between the central political elites and regional ones. In its present form, Russian federalism emerged as a result of a temporary weakening of the Center and relative (against this background) strengthening of the regional elites. Correspondingly, the current strengthening of the state and the Center inevitably leads to a weakening of elements of Russian federalism all the way to complete disappearance of some of them. This, however, could be a blow at feudalism rather than federalism and may be even beneficial for an individual and society as a whole. Russian federalism of the recent years is uneven both in time (if we consider the intermittent component of its dynamics with flip-flopping stages of decentralization and centralization) and in space - political and geographic. As it slips to the past, at least temporarily, Russian federalism leaves society a tremendous amount of experience in harmonizing central and regional elites' interests in the context of various forms and institutions; the authorities have learned to recognize huge regional social, economic, political and cultural diversity, as well as the nascent and maturing regional self-awareness; and take it into account in their practical work.

The fact of the matter is that the dynamics of Russian federalism is of a dual progressive - fluctuating nature: on the one hand, this phenomenon represents half-life-decay of a once mighty unitary power; on the other hand, it is like the return of a pendulum which always comes back to its initial position. The result is some kind of a development spiral⁵. Moreover, this dynamics, just like federalism itself, has more than one layer, and its different component processes may not only progress at different rates but also have different directions. That is why the resulting fluctuation is determined by the continually changing balance of the alternating processes of **decentralization** and **centralization**.

The magnitude of changes that have taken place over the past ten years before our eyes and, correspondingly, the velocities of differently directed processes are such that simple extrapolation, if carried out at different points in time or on the basis of different processes, may produce totally different, often opposing results. Hence the divergence of thought about Russian federalism ranging from alarmist warnings of Russia's disintegration being already underway to as alarmist warnings of the impending restoration of rigid unitarism. This reminds one of a tale of blind wise men who touch a fast-moving elephant and cannot make out what it is.

Delegative democracy

The 1995-1997 election cycle in Russia effectively completed the affirmation of a new order that can be called **two-tier delegative democracy** using the term introduced by Guillermo O'Donnell (1994). Delegative democracy⁶ is characteristic of a number of Latin American and Eastern European countries. In Russia, where delegative democracy is consonant with the eternal hope for "a good tsar", it is only emerging. Although the past two or three election cycles (the full cycles of 1995-1994 and 1990-2001, and incomplete cycle of 1993-1994) are generally consistent with the scheme of delegative democracy, it is still too early to speak of a mature delegative democracy in Russia and evolution towards more authoritarian rule is still possible.

The following features are characteristic for delegative democracy in Russia:

- absolutization / hypertrophy of the power of "the father of the nation" or "the master of the region" to whom power is sort of delegated while formal democratic procedures, for instance elections, are complied with (often elections are not adversarial in essence or even formally); weakness of the potential checks and balances such as institutions of representative power, the judiciary etc.;
- a special phenomenon is the internal opposition between the equally directly elected "father of the nation" and "master of the regions" often aggravated by the "master of the city" factor: a third tier of delegative democracy;
- the lack of real representativeness of the "representative" branch as a result of weak feedback between the deputies and the electorate; underdeveloped and unstable

⁵ This fluctuation is characteristic not only of the current transformation, but also of all the "troubled times" in the history of Russia: the dismantling of the old system is accompanied by decentralization of government all the way up to political disintegration after which a new system of power is created having a sufficiently high level of decentralization. In any event, though, this system assumes qualitatively new features (different organization of power, different methods of government).

⁶ Some researches have pointed out that the term "delegative democracy" is not a very appropriate one because it is too close to the terms already in academic usage. For instance, R. Sakwa (in a presentation at the January 12, 1998 conference at the Carnegie Moscow Center) points that in *Civil War in France* Karl Marx opposed the role of deputies as representatives of regional and other interests and their role as delegates, members of an assembly; and distinguished between delegative and representative democracies. Besides, the traditional notion of delegative law making as an extraordinary transfer of the legislative right to state institutions (e. g. the government) which do not enjoy such rights by themselves.

mechanisms of elections to regional legislatures; changing rules; representative power's weakness which undermines electoral confidence and generates further weakness;

- the lack of a clear framework and system of rigid rules whose role is instead performed by case-by-case agreements amongst the central regional and local elites, clans and individuals; unrestrained arbitrariness and corruption among civil servants;

- weak institutional capacity of power results in strong personification of power; "suprapartisan" position of the leaders who claim to derive their support from broad popular masses rather than "narrow party groups"; in a situation when society lacks deep-rooted democratic norms and traditions and there is no arrangements ensuring stable and effective feedback between the electorate and the elected, the individual becomes isolated from the state and power becomes uncontrollable;

- weakness of political institutions in general, when expediency becomes "more important" than compliance with "formal democratic norms"; and the real power of this or that person is not so much determined by the position he or she occupies but by close that person is to the source of power, be it the president of a governor (hence sky-rocketing career leaps and dramatic downfalls, favoritism, dominance of clans); simple and quick decision-making; lack of accountability for the implementation of decisions; lack of coherent strategies; frequent vacillations;

- weak inner structure of society lacking clearly formulated and recognized economic interests and political entities pursuing those interests; in the absence of economic pillars, society is structured on the basis of ethnic, professional and regional interests; political parties have been driven to the periphery of the social life; there are no arrangements in place enabling day-to-day monitoring of interests and aspirations of the population: as a result, once the social energy goes critical, social explosions become the only possible way of bringing popular interests in the focus of attention;

- elements of "autocratic rule" when those in power do not feel obligated to comply with the laws, including the Constitution, although the laws themselves had been custom-tailored to suit their interests; as for promises, breaking them is something very normal even for top-ranking politicians;

- lack of separation of political and economic power; absence of universal strict rules of the game when success in business is determined by being close to, or a part of, power with the resulting civil service corruption and blending of power and property ownership; all this inevitably results in a situation when democratic rotation of power is replaced with *nomenklatura* perpetuity transforming power in a kind of business activity.

Problems of Russian federalism

Russian federalism has a bunch of problems, included the old ones it had inherited and the ones it has developed by itself. Two major problems that contemporary Russia inherited from the Tsarist Empire or the Soviet Union are:

- the mixed ethno-territorial nature of the regions fraught with ethnic conflicts which may manifest themselves both in acute forms and in the form of the phasing out of a particular ethnic group⁷, regional disintegration on ethnic grounds etc. (once superposed, the ethnic and the territorial behave not unlike a binary weapon ready to explode any time); and

- multi-tier centralism - the hypertrophy of centers at any level which is difficult to harmonize with the perceived equality of all parts of the federation reproducing the "center - periphery" scheme with its inherent asymmetry.

⁷ So far, the only such example is the separation of Chechnya and Ingushetia which are, incidentally, the closest ethnic relatives amongst North Caucasian republics with populations consisting of two or more ethnic groups.

Other problems are partly derivatives of these two and partly a result of the particularities of political development over the past few years. These include:

- huge asymmetry: by size⁸ and by status with the latter being both general (“gubernias” vs “republics”, second-tier subjects) and individual;
- growing social and political divergence of regions in the context of absence or extreme weakness of self-regulation mechanisms in the conditions when individuals are tied to the territories they live in, enslaved and totally dependent on the authorities;
- the state (from the top downwards) nature of Russian federalism combined with the totality of regional borders which constrain all aspects of societal life; absence of a serious base in society; particularly, absence of regional self-awareness (instead, only ethnic awareness is often observed in republics);
- the opposition between the super-presidency (which until recently has not fully manifested itself yet due to the general weakness of the Center) and, correspondingly, super-centralism and absolutism in some areas and regionalism in other areas (most regions have regional super-presidencies of their own);
- excessive role of personal, subjective factors whereby the regional leader’s personality may largely determine relations between the region and the Center, political situation in the region and the condition of the individual;
- combination of political power and property ownership which, in the absence of division of power, makes power over the individual and the regional socium absolute and universal leaving no space for political pluralism, brining the entire political structure outside the boundaries of law and making it too fragile and too vulnerable to changes of the political climate.

Unevenness of Russian Federalism

Russian federalism is uneven in terms of time and space, both political, including elements of federalism in the form of various state and public institutions, and geographic, i. e. the so called subjects of the Russian Federation.

The regards time, in spite of the collapse of the past few years, the process of decentralization continues the shifts and trends which had become visible starting from the 1960s. Therefore, the overall motion trajectory is quite legitimate and consistent. While preserving the current trends, Russia was entering a relatively equilibrium level which was partially consistent with a centralized federation and partially with a decentralized federation. After the sharp fluctuations of 1991 - 1993, which reflected the turning point of political epochs, and with the political situation relatively stable, the motion has become more stable and smooth (see Figure 1⁹).

Figure 1. Russian Political Dynamics, End of the 1980s - End of the 1990s

The points of inflection of the trajectory corresponds to the radical political decisions, be it the 1991 putsch and the subsequent disintegration of the Soviet Union, the 1992 Federation

⁸ There is two-digit difference between federation units both in terms of territory with the biggest, Yakutia being seven hundred times larger than the smallest, Ingushetia; and in terms of population with Moscow being five hundred times bigger than Evenki district. If to compare European and Asian regions separately we’ll get 100-150 times difference anymore.

⁹ This scheme and the following ones reflect the shifts that have taken place over the past few years along the centralization - decentralization and unitarization - federalization axis. They were developed on the basis of expert assessments in cooperation with A. Kuzmin.

Treaty, the 1993 “Constitutional reform by stages” or the 1996 transition to electivity of the regional leaders. Starting from the fall of 1999, the overall balance has been in favor of centralization. The reason for that is the consolidation of the elites in the Center and the build-up of political and financial resources controlled by those elites.

The overall trend is composed of a number of differently directed individual trends which may be described as a semblance of the Brownian motion if one attempts to monitor the dynamics of the major structures and institutions over the recent period. The shifts towards unitarization have been characteristic of the judicial system (adoption of the Judicial System Law and normal financing of the judiciary for the first time in so many years), tax system (adoption of the Tax Code, increasing the federal share of taxes, strengthening tax compliance), partly electronic mass media (the establishment of the All-Russia Television and Radio Company with regional branches being relatively independent of the regional authorities; creation of the Ministry for the Affairs of the Press, Television and Radio Broadcasting and Mass Communication Media) and the Ministry of Internal Affairs (growing numerical strength of the Interior Troops; the purges which the Center has conducted in the regions; getting MVD units in regions out of regional bosses control).

Along the centralization - decentralization axis, the largest shifts towards greater centralization have been observed in the electoral system (federal law on guarantees of electoral rights which established a rigid legal framework, enabled the Center’s tight control over regional elections and referendums; judicial practice), among regional elites (with the abolition of the residential qualification regional elites became more vulnerable to the invasion of “aliens” from the Center¹⁰), and the already mentioned tax and judicial system. Decentralization has affected economic entities, political parties and, after August 1998, the financial and banking sector.

Russian federalism is extremely uneven in terms of geographical space and its uneven nature is only partially accounted for by the objective differences among regions, resource capacities, fiscal subsidization etc. It is largely determined by traditions, traditional practices and personality factors. Some regions, like Tatarstan which has a one-channel tax system, own courts, citizenship and Constitutions stipulating the “associated” status of the Republic within Russia, have been developing their relations with Russia on a confederate basis¹¹. The position of other regions, like the majority of autonomous *okrugs*, is quite similar to that of regions in a unitary state. Finally, the overwhelming majority of oblasts and krais develops their relations with the Center on the federative basis with a varying degree of rigidity. Moscow occupies a very special place. Being the last to sign a bilateral agreement on the delineation of authority with the federal Center, Moscow still has a status that is only slightly different from that of Tatarstan in terms of “citizenship” (*propiska* / domicile registration restrictions), control over law-enforcing agencies and courts (here the situation is changing fast), lack of elected heads of local self-government, special privatization arrangements etc.

Regional Political Space

Reflecting on the various possible state systems for countries with large territories, Charles Montesque concluded that only two forms - federation or tyranny - were possible. True

¹⁰ This is evidenced by the election in 1998-1999 of General Lebed in the Krasnoyarsk Krai, General Semyonov in Karachayevo-Cherkessia and General Gromov in the Moscow Oblast.

¹¹ Chechnya, which has not recognized Russian Federation jurisdiction and, until recently, been *de facto* independent of Russia, is a special case.

to its tradition of choosing both evils, Russia surprised the world by producing a queer centaur-like creature - a federation of tyrannies.

It has become commonplace to speak of the tremendous variety of types of social and political systems and political culture particularities observed in Russian regions - from the “nearly Scandinavian” Karelia to clan-tribal republics of the Volga Region and North Caucasus. In a compound state that the Russian quasi-federation is, societal condition and transformation is set, much like the speed of a naval formation, by the weakest rather than strongest elements. Besides, it must be noted that the regional political processes are increasingly often characterized by convergence and downward equalization.

The diversity of regions’ political systems has generated an extremely complicated mosaic which obstructs the process of federalization. Formally, the largest and economically strongest regions and federal cities are same subjects of the Russian Federation as the sparsely populated Evenkia. Presidential republics with their superstable leaders and autarkic clan structures are very unlike oblasts where elections have generated real competition and elites have changed. Political development trends are as diverse: with formally democratic procedures in the background, the clan structure of power is becoming increasingly stronger in the capitals; in most republics, power is becoming more archaic and more reminiscent of the closed elites of the Soviet type; on the contrary, in other regions the process of downward redistribution of power has already started.

Before our eyes, the growing “atomization” and the process whereby all life becomes restricted by the regional confines brings about real horizontal differentiation of the political space. This trend is promoted by the decrease of spatial mobility due to the reduction of all inter-regional ties and contacts in the time of economic crisis, primarily those between the regions and the center. Horizontal differentiation, and quite considerable at that, had been observed before but then it was sort of secondary and a derivative from the diversified mix of uniform cities (especially large ones) and rural areas. At the 1991 presidential elections Boris Yeltsin was equally supported by a regional capital in the “democratic” North and “conservative” South. Emerging at present is a new pattern of differentiation of the political space - fundamentally horizontal differentiation, rather than the plane projection of the vertical urban - rural differentiation. This is promoted by the transition from the revolutionary stage of the development of society to an evolutionary one.

The process of fragmentation of society and isolation of sociums in the regional “homes” is not necessarily a negative one. Development of regional self-awareness is easily the most important positive aspect of that process. The matter is that Russian federalism has originally been and remains a purely state, administrative and bureaucratic phenomenon having neither grassroots support nor any articulated public component¹². Frequent speculations about the arbitrary nature of Russian regions and proposals to merge several regions together are, therefore, not coincidental. Indeed, the consolidation of regional communities observed since the early 1990s has been mostly negative and anti-Center. In the republics that process was often of an ethnic rather than regional nature. It is only recently that elements of positive regional consolidation have become visible.

¹² The deep roots of Russian federalism were considered to be connected with *zemstvo* traditions, but these roots could not be revived in spite of all the attempts.

The recent years have seen a rapid growth of regional self-awareness both cultivated from above by the regional authorities and developing spontaneously at the grassroots level. There is an increasingly stronger interest in history and geography of native regions (regional history is now taught at schools; there are many local textbooks and teaching aides); regional authorities go out of their way to promote famous people originating in the respective regions as well as “local” sports events, teams and champions, “local” anniversaries and festivals. The explosive growth of regional self-awareness is eloquently illustrated by the unprecedented variety of vodka brands. The names of local vodkas, perceived by many as regions’ “calling cards”, refer to regional particularities, reflect objects of the local population’s special pride or admiration, be it outstanding compatriots, historical and geographical notions, region-specific labels, all kinds of local monuments etc¹³. So far, however, simple geographical names have been dominant among local brands.

II. Russian federalism: Institutions and practices

Federalism and Elections

Elections is the key to understand the first sovereignty-seeking phase of the federalization process which took place in 1990-1991. Actually, without elections there can be no federalism at least in its present Russian form. Elections of People’s Deputies of the RSFSR and Deputies of regional Soviets in March 1990 were the main impetus for the beginning of active nation-wide federalization of the early 1990s. The simultaneous election of the independently legitimate and ambitious representative bodies and the beginning of the opposition amongst Soviets at different levels nearly brought about a paralysis of power in the country. The situation was resolved first by the creation of parliamentary-presidential systems and then dissolution of the Soviets in 1993.

Actually, the year 1999 with its opposition of Soviets at various levels raised the question of the source and delegation (downward or upward) of sovereignty. This problem was resolved on the first come first served basis. A number of powers that the Center had “dropped” were picked up by regional elites; attempts by local elites to display initiative and grab something for themselves were mostly thwarted. As a result, it turned out that the dominating position was occupied by the intermediate regional level which delegated a portion of its authority upwards to the federal Center and another portion downwards to cities and rayons.

Referenda - nominally an institution of direct power of the people, deserve a special mention. In actual fact, popular will was appealed to in cases of sharp conflicts between the various elites: the Union and Russian elites in 1991; executive and representative elites in 1993; central and regional elites, for instance in the case of 1994 referendum in Tatarstan and 1998 and 1999 referenda in Ingushetia which were canceled.

Elections continue to be one of the most important enabling components of Russian federalism. It is the electoral process that sets in motion the mechanism encouraging political bargaining between the central, regional and local elites and acts as a catalyst of all political processes. The links between Russian federalism in its current form and elections are multi-faceted and include the electoral system (it must be recalled that the boundaries of election constituencies coincide with those of the regions; only during the 1989 elections there were large

¹³ Detailed analysis and typology of regional vodka brands are found in N. Petrov. *Kak v Kaple Vodki: Politika, Finansy, Regionalizm* [The Vodka Factor: Politics, Finances, Regionalism]. V. Regiony Rossii in 1999 g.: *Ezhegodnoye Prilozheniye k Politicheskomu Almanakhu Rossii*. M.: Gendalf, 2000, pages 140-164.

national territorial election districts incorporating several regions: at present a region is entitled to a Duma constituency regardless of the number of voters living there) and elections *per se* as the catalyst and quintessence of the political process.

The power struggle in the Center and elections are the two factors that forced federal elites to seek the support of regional elites which ultimately promoted decentralization. Any elections, local or federal, have until recently worked against the Center. At gubernatorial elections, the Center was “helping” the loyal candidate while having to put up with anti-Moscow rhetoric and actions (suffice it to recall the way former Governor Zubov fared at the gubernatorial elections in the Krasnoyarsk Krai). Moreover, after the elections, especially when regional leaders had changed, the Center had to agree to various concessions seeking to establish better relations with the newly elected governor (mostly such concessions included the replacement of Presidential representatives and other federal officials with personalities more acceptable to the new governor).

At federal elections too, the Center had to agree to concessions and shower gifts and promises onto regional leaders in a bid to secure their support. Suffice it to recall the 1996 Presidential campaign when Boris Yeltsin toured about twenty regions (nowhere did he go without a gift, bringing money, signing decrees on new regional development programs etc.) and signed a salvo of bilateral agreements with another dozen of regions.

The 1999-2000 election cycle is rather an exception. An attempt by regional elites to consolidate and take an active part in the power struggle at the Center was foiled. Having secured its undisputed dominance during the final stage of the Duma election campaign, the Center pushed on with its offensive on the rights of privileges of the governors. It must be noted that guided by the instinct of self-preservation regional leaders had been originally prepared for losing a chunk of their freedoms, which sentiment had been articulated by Yevgeny Primakov whom they had rallied to before Vladimir Putin came about.

One of the main incongruities of Russia’s territorial and state structure is the existence of two-tier regions. More specifically, we are talking about seven krais and oblasts incorporating autonomous okrugs (10) which are subjects of the Russian Federation on their own right. What makes the situation so weird is that *du jure* a part becomes equal to the whole. In the wake of the movement for sovereignty in the early 1990s, autonomous entities made an attempt to break free from their “mother regions” and acquire independence. The autonomous oblasts succeeded in this effort and became subordinated directly to Moscow. The Jewish Autonomous Oblast was the only one to retain its old name whereas others became republics. Still, the Jewish AO is no longer a part of the Khabarovsk Krai. Of the autonomous okrugs, only the Chukotsky Autonomous Okrug managed to separate itself from the mother region, although it was never the biggest, richest or brightest of the okrugs. The others had to reconcile themselves with the *status quo*.

Now that the social activity has slackened visibly, the problem of the status of autonomous okrugs has ceased to be an issue of public concern and occupies the minds of political and economic elites only. Elections are a different thing - here “broad popular masses” become inevitably drawn into “the struggle for independence”. The main instruments of this game include sabotage and ignoring the outcomes of “alien” elections. Oblast / krai authorities confronted the first signs of disobedience in 1994 during the elections to regional legislatures. At

that time, for instance, the Koryaksky Okrug simply refused to elect deputies to the Kamchatka Oblast Duma. Certain problems were experienced in the Taymyrsky and Nenetsky Okrugs.

The situation aggravated sharply during the 1996 gubernatorial elections. Problems with Kamchatka Koryaks and Arkhangelsk Nenets reappeared. The problem of North Tyumen okrugs (the richest and most populous ones) became unprecedentedly prominent. The first thing that the okrug governments did was to separate the “local” and Oblast-wide elections making it easier to sabotage regional election outcomes. They went farther than that. The Khanty-Mansiysky Okrug Duma adopted the Law “On Elections of the Tyumen Oblast Governor on the Territory of the Khanty-Mansiysky Okrug” which stipulated that the winning candidate had to win 50 percent plus one vote with a minimum turnout rate of 25 percent (within the Okrug, not Oblast). Eventually, things never took the most absurd turn whereby the Oblast would elect one governor and its constituent Okrug another one: the first round turnout was 15.3 percent and the Okrug Duma invalidated the election. Consequently, there was no second round in the Okrug which forced the Oblast Duma to reduce the minimum turnout threshold on the eve of the elections: otherwise the Tomsk Oblast gubernatorial elections would not have taken place because the Khanty-Mansiysky Okrug is home to much more than one third of the Tyumen Oblast electorate.

With political culture underdeveloped and mechanisms of minority interest representations not in place, the “winner takes all” elections (which is exactly the way regional gubernatorial elections are designed) have a potential for undermining stability in ethno-composite regions. One example is the 1999 elections in Karachayevo-Cherkessia which generated the temporarily dormant but ever-present conflict between the Karachay and Cherkess parts of the Republic’s population. The fear to upset the local situation, tense as it is, is the reason why for three times over the past few years the population of Dagestan has refused to introduce the post of the head of the Republic elected by direct popular vote. In Dagestan, the republican leader continues to be elected by the State Council composed of representatives of the 14 major ethnic groups.

In Dagestan, which is a composite “ethnic federation” by itself and therefore can be used as a testing ground for ethnic federalism, they do not only use tow-tier indirect elections of the republican leader - Head of the State Council formed by the Constitutional Assembly on the basis of ethnic lists. Another practice in Dagestan is to use quotas for ethnic groups at elections of the regional legislature, or People’s Assembly. According to this practice, election constituencies in areas with ethnically mixed population are assigned to a particular ethnic group, which makes it possible to avoid ethnic clashes similar to those happening in Karachayevo-Cherkessia. Besides, there is in place an arrangement enabling a particular ethnic group to veto a decision immediately affecting its interests with the majority of other ethnic groups being unable to override the veto.

Political parties

The Federal Assembly

Capitals

During all her tsarist and Soviet history Russia used to be highly centralised state. Her capital thus, having concentrating a little less than one fifteenth of Russia’s population, is not only far bigger than any other city in the country, it’s bigger than any other ‘subject of

federation. The second most populous territorial unit is Moskovskaya oblast adjacent to the capital, the third – S. Petersburg, ‘the second capital’.

The problem of status of a capital is not just as simple in federations. And here we face the problem of uneasy transition from centralised unitarian to a federal state.

In Putin’s Russia case we see a kind of paradox: while the Center is becoming stronger the capital is relatively weakening. This is a result of both growing role of S. Petersburg, home town for the president and a good half of his team, and the appearance of an intermediate centers of federal districts between regional capitals and the national capital level.

Putin is the first of the country’s Soviet and post-Soviet leaders who was born and raised in St. Petersburg, Russia’s imperial capital, rather than coming from a far-flung province. (None of his predecessors came from Moscow.) Moreover, unlike his predecessors, Putin did not spend a lengthy period of time in Moscow prior to becoming leader. As a result, Putin maintained good connections with his home city. This has had two major consequences. First, there has been a significant flow of elites from “Piter” (as St. Petersburg is known colloquially) to Moscow. The old eastern capital (Moscow) is now besieged by young westernizing newcomers. It is reported that on Monday mornings there is a traffic jam of limousines waiting outside the Leningrad railway station in Moscow to pick up officials returning from a weekend with their families in Piter. Second, some capital-city functions have shifted from Moscow to Piter. President Putin himself visits the city often and the Constantine palace is being restored as an official presidential residence. There have been serious discussions about moving the capital or at least part of the functions of the capital to St. Petersburg.

St. Petersburg's growing clout can be considered, at least partly, to be the consequence of Putin's reliance on his former colleagues from the Leningrad-St. Petersburg FSB. [footnote: Nikolai Patrushev (FSB Director), Sergei Ivanov (Defense Minister), Victor Ivanov (Deputy Head of Presidential Administration in charge of personnel), Victor Cherkesov (Polpred), Georgy Poltavchenko (Polpred), Viktor Zubkov (Chairman of Ministry of Finance Financial Monitoring Committee)] However, the picture is more complicated than this, even in terms of personnel policy. There are at least three other sources of Petersburg elite recruitment in addition to the FSB: lawyers and former colleagues from Mayor Anatolii Sobchak's administration¹⁴; liberal economists¹⁵; and so-called "unallied individuals."¹⁶ In addition to top presidential aides and government officials, the speakers of both the State Duma and Federation Council are both from St. Petersburg.

One explanation for the dominance of the “Leningrad group” is Putin’s need to fill key posts with people he trusts and who have demonstrated their loyalty to him. Another factor, though, is a desire to systematically dismantle the old Moscow-based bureaucratic machine. Officials from Piter, following long-standing practice, tend to bring with them their own

¹⁴ Dmitri Kozak (Deputy Head of Presidential Administration), Vladimir Kozhin (Head of Presidential Administration Property Department), Dmitri Medvedev (Deputy Head of Presidential Administration and Chairman of Board of Gazprom), Igor Sechin (Deputy Head of Presidential Administration), Aleksei Miller (General Director of Gazprom).

¹⁵ Anatoly Chubais (Head of United Electrical Systems), German Gref (Minister for Economic Development and Trade), Aleksei Kudrin (Deputy Prime Minister and Finance Minister), Andrei Illarionov (Chief Economic Advisor to the President), Alfred Kokh (director of Gazprom-Media), Mikhail Dmitriyev (First Deputy Minister for Economic Development and Trade), Dmitri Vasilyev (Federal Securities Commission Chairman).

¹⁶ Valentina Matviyenko (Deputy Prime Minister), Ilya Klebanov (Deputy Prime Minister), Leonid Reiman (Minister of Communications), Sergei Stepashin (Head of the Audit Chamber), Yuri Shevchenko (Health Minister), Ilya Yuzhanov (Minister for Anti-Monopoly Policy and Entrepreneurship), Sergei Mironov (Federation Council Speaker).

subordinates, so that there has been an exponential explosion in the number of mid-level officials from Petersburg as well. While officials flow from Petersburg to Moscow, the Kremlin is sending money the opposite direction—in particular, \$1.5 billion in federal investment has been allocated for the celebration of city's 300th anniversary in 2003. There is increasing coverage of St. Petersburg life in the national media, and numerous projects have been proposed which would restore some capital city functions to St. Petersburg. Even if the construction of a new parliamentary center in Petersburg is unlikely in the short term, visiting foreign dignitaries are often taken to the “northern capital” as part of their official itinerary.

III. Putin’s anti-federal reform

The administrative changes adopted by Putin when coming to power could be used to reclaim federal powers that were illicitly grabbed by the regions and to flesh out the provisions of the constitution with the purpose of creating a normal, functioning federal system. Another interpretation, which we believe fits better with the evidence available at the beginning of 2002, is that Putin is, in fact, aggressively pursuing an anti-federal policy designed to take away or circumscribe most powers exercised by regional leaders. The purpose appears to be to establish a unitary state under the guise of “restoring an effective vertical of power in the country” to use Putin’s own description of his intentions. In keeping with Putin’s background in the KGB, the main emphasis is on discipline and order. Overall, his approach represents a rejection of federalism—which is still very much a work in progress in Russia--and is an attempt at recentralization. At the same time, it is by no means clear that the institutional and personnel choices that Putin has made will have the desired result; nor is it evident that recentralization will be an effective administrative strategy in post-Soviet Russia.

1998 was the year of a permanent political crisis which radically weakened the Center’s positions. By the early 1999, the process of decentralization had gone so far that there emerged a risk of the system’s going over from the fluctuating more to a qualitatively new one. Further weakening of the state was fraught with chaos, open clashes between elite clans and, ultimately, disintegration. The main threat was not that of decentralization exceeding a certain critical threshold but that decentralization came to that threshold at a moment when further decentralization seemed inevitable in light of the starting big election cycle. The period of May to September, 1999 may have easily been the most difficult time for the Kremlin and White House. The Kremlin and the Government were generally perceived as living through their last months and the exodus from civil service became a real threat. The authority of the Center, as seen by the regional elite, declined steeply and was additionally depressed by the growing civil service incompetence.

With Putin in office, the Center regained the initiative when it resorted to the use of military force in Dagestan and Chechnya and secured active cooperation of the Federal Security Service, or FSB. The situation was stabilized and reversed. Contrary to the conventional political logic and the lessons of previous Russian elections, the Center started to strengthen its position¹⁷

¹⁷ It must be noted that even without Vladimir Putin’s appointment as Prime Minister, there were no special reasons for the apocalyptic vision of relations between the Center and the regions. At that time, the elites consolidated around Yevgeny Primakov who combined a very tough overall program (restoration of the vertical of power; return to the appointment of regional leaders, enlargement of the subjects of the Federation) with a number of personal alliances with strongest regional leaders. In addition to his main ally, Moscow Mayor Yuri Luzhkov, those included Tatarstan President Mintimer Shaymiyev (in the spring of 1999, Tatarstan enjoyed an extremely advantageous prolongation of all inter-government agreements which expired five years after the entry into the bilateral treaty),

in spite of the elections. This effort was promoted by further growth of international oil prices and increased budgetary revenue which made it possible for the Government to pay its wage and pension arrears. The financial “carrot and stick” were used through the Government-controlled “oligarchic structures” like Gazprom, RAO EES Rossii and the Ministry of Railways (case-by-case agreements with regional administrations) using Sberbank (loan issuance and repayment etc. This wouldn’t have worked if the Center had not been consolidated and demonstrated political will.

The main role in political developments of the past few months has been played by the war in Chechnya - evidence and, at the same time, a factor of the Center’s strengthening positions. The war served its purpose by enabling the Kremlin to have presidential powers transferred to the heir apparent with subsequent electoral confirmation of that transfer. However, the war’s “side effect” and its long-term negative implications for Russian federalism and the Russian state may prove much more serious.

Starting from the fall of 1999, the Center has been strengthening its relations with the regions along several lines. **In the personnel area**, the trend was to strengthen heads of federal institutions in the regions, primarily presidential representatives¹⁸, and heads of power structures. Other measures included efforts to weaken the regional barons’ control over federal civil servants in the regions. Another lever of putting pressure on regional leaders was connected with the usage of compromising materials gathered at a time of “anti-corruption” campaigns in regions in order to both force governors on the eve of Duma’s elections to leave from opposition blocs (“Fartherland – All Russia”, first of all) and to join the pro-governmental “Unity”¹⁹. **In the financial sector**, the Center tightened control over appropriate use of federal budgetary resources in the regions, channeling funds via regional branches of the Federal Treasury. In 2000, in a number of the most subsidized regions, like Dagestan, all payments are effected through city and rayon-level branches of the Treasury on a pilot basis²⁰. **In the legal area**, two fundamental laws (on delineation of power among the various levels of government and on fundamental principles of organization of state power in the regions) were adopted which unified the rules of the game and introduced rigid limits. The practice of having regional legislations brought into conformity with the federal legislation was expanded to cover the strongest and most obstinate violators like Bashkortostan and Tatarstan. **In the area of information**, the development of the All-Russia State Television and Radio Company, or VGTRK, continued which incorporated all state-owned regional TV and radio broadcasting companies.

Kemerovo Oblast Governor Aman Tuleyev (allocation of additional funds to miners; transfer of federally-owned shares into trust management), Krasnoyarsk Krai Governor Aleksandr Lebed (support in his fight against Anatoly Bykov, transfer of federally-owned shares).

¹⁸ They were replaced in 17 regions in January 2000 alone, while others were “suspended” in the “acting” status. It was that time when the tactics of mass appointing active FSB chiefs as presidential reps was used.

¹⁹ It’s known that Sergei Stepashin’s inability to oppose the enforcement of the anti-Kremlin governors’ opposition and to create alternative pro-Kremlin bloc was one of major reasons why he was replaced by Putin in Prime Minister’s office on August 9. Later on the stick and the carrot were used more effectively and in a month and a half the interregional movement “Unity” appeared, presented by a number of regional leaders of most scandalous and corrupt administrations.

²⁰ The 2000 budget law stipulated a gradual transition to the Treasury system of regional budget implementation. Budgets of six regions (Altai Republic, Tyva, Dagestan, Kemerovo Oblast, Komi-Permyak and Evenki Autonomous Okrugs) are already implemented through the Federal Treasury system. Other subsidized regions should follow (Interview with Tatyana Nesterenko, Vremya, February 22, 2000).

After the presidential elections, President Putin undertook several steps that fundamentally altered Center-periphery relations in favor of the Center. His policies amounted to a shift of the axis, rather than another oscillation of the pendulum. The Center outmaneuvered the regional leaders, who reacted as if paralyzed. In fact they were paralyzed after the 1999 defeat, with the federal reform being a kind of legal securing of the new power balance.

The Kremlin acted with unprecedented quickness and energy: the President has already issued decrees abolishing regional decisions which encroached on the powers of the Center in several regions, it was announced that another dozen of such decrees was in the pipeline. The next steps included the issuance of the May 13 decree introducing federal *okrugs*, and several days later the appointment of the presidential plenipotentiary envoys, mostly army and police generals finally, the President appeared on the national television presenting a package of draft laws to be submitted to the Duma with a view to “restoring an effective vertical of power in the country”.

An overview of Putin's initiatives toward the regions would include the following:

- The establishment of the seven federal districts ("super-regions") headed by presidential envoys, of whom five are generals;

- Increasing central control over federal agencies in the regions, including the courts, police, and television;

- Reforming the Federation Council by replacing sitting governors and chairmen of regional legislatures with full-time representatives who would be appointed by governors and legislatures (in the process regional executives and the heads of regional legislatures lost parliamentary immunity);

- The adoption of laws that allow the president, under certain conditions, to remove governors and dismiss regional parliaments;

- The creation of a new body for governors, the “Presidential State Council” as a consolation for losing their seats in the Federation Council. The main advantage is that it allows governors to meet with the president four times a year. All regional leaders are members, but its working organ is a presidium (whose membership changes every year) made up of one governor/president from each of the seven federal districts. The presidium is supplemented by working groups under the leadership of one regional leader (usually drawn from the most influential—such as Moscow mayor Luzhkov). The working groups prepare reports/proposals on important issues, but its role is strictly advisory. As of early 2002, none of their reports was used by Putin or the government; in effect, the purpose seems to be to diffuse opposition by governors by allowing them to let off steam;

- Changes in inter-budgetary relations through a new tax code, which increases the share of the center and gives the federal government greater control over tax receipts and expenditures.

The establishment of federal districts appears to be the third attempt to enlarge Russia's regions (the first took place in the late 1920s-early 30s, the second in the late 1950s-early 60s--both failed). It also represents a shift towards territorial rather than sectoral management, since it emphasizes geographical entities at the expense of the government ministries (which deal with issues like the energy sector, railroads, etc).

The Security Council designed the federal districts and drew their borders to match the districts used by the Ministry of Internal Affairs troops, which are quite different from both Russia's eleven economic regions and its eight interregional economic cooperation associations. Although the federal districts' functions are not clearly defined, they are growing over time.

The construction of a new intermediary level of government between the federal and regional governments can mean both centralization (if powers are transferred formally and informally from the regional level to the federal district) or decentralization (if the federal government devolves some of its powers to the districts). In this case, Putin's goal is clearly

centralization, although some elements of decentralization are evident in conflicts between presidential envoys and federal ministries. Presidential envoys are elements of a new "power vertical" with both the Presidential administration and the Security Council at the top. As such, they present a way to bypass both the Russian government and the governors.

Putin's reform package was prepared in a great hurry in order for all these changes to pass it through the Federal Assembly before the summer break. That's why the decree on federal districts looks negligent with a couple of regions including Moscow (!) being omitted. It looks like two major possibilities of districting were under consideration until the last moment – the "civilian" one based on the boundaries of the interregional economic associations²¹ and the "police" one based on the interior troops districts. At least it was prescribed to envoys by the decree to coordinate their efforts with the associations, which is hardly possible when the borders of the associations do not coincide with the new federal districts²².

The scheme of the Federation Council formation should be changed for the second time since the upper chamber establishment in 1993. By the new draft governors and regional speakers were losing their seats there either after their elections in regions or at the end of 2001 the latest. Instead of them special representatives of both regional executives and legislature should form the new Council of Federation. To compensate governors the loss of the status of federal politicians including the loss of the immunity against the criminal charges²³ the idea of the State Council appeared, the consultative body consisting of governors with the president as the chair, meeting once in three months.

By 2002 the reform has been completed with Russia having ceased to be an emerging federation (i. e. a federation of alternating rigidity) and transformed back into a unitary state with some elements of regional and ethnic-regional particularities.

Figure 2 shows the overall political configuration Center - Regions as of the end of 1998 and 1999. That configuration has recently changed dramatically. What are its characteristic features?

First and foremost: the level of internal diversity of the Center and lack of coordination of actions implemented by the various federal structures in the regions (sometimes federal structures would go as far as to compete with each other) has been lowered followed by a corresponding reduction of the size and amorphism of the foot of the Center's power pyramid turned to the regions. The role of power structures, which have stronger subordination than other government entities and are coordinated by the Security Council, have grown. Confrontation

²¹ Eight interregional economic associations were formed in 1990-early 1991 in order to oppose regional and, first of all, republican secessionism (See Nikolai Petrov, Sergei Mikheev & Leonid Smirnyagin, 'Russia's Regional Associations in Decline', *Post-Soviet Geography*, vol. 34, no. 1, 1993, pp. 59-68.). Being a kind of governors' private clubs they never played any important role except for providing room for regular meetings of regional leaders with highest government officials. It was then prime-minister Yevgeny Primakov who invited eight regional leaders, heads of regional economic associations to the presidium of his government in autumn 1998 and started talking about the necessity of enlarging regions in spring 1999 on the distant approaches to the presidential campaign.

²² Well, bad for associations then: two of them merged (the Center and the Black Earth) under the auspices of the Central FD envoy Georgy Poltavchenko, three others – the Urals, the Northwest, and the Far East and Trans-Baikal – almost disappeared being led by governors who oppose appropriate envoys, the rest changed their composition either formally or informally.

²³ Direct threats were used against governors when for example the presidential rep to the State Duma told the press that law enforcement agencies are ready to put into the jail a number of regional leaders after they lose immunity. Nothing happened of such a kind but it helps the Kremlin to create a certain public atmosphere around the issue putting governors into the position of defending their non-deserved privileges.

along the lines “President - Prime Minister” and Presidential Administration - Government” has decreased considerably. Infrastructure monopolies have started to play more in tandem with the authorities. With regard to the regions, the Center has become much more monolithic and organized. On the contrary, in the regions, the only recently monopolistic position of regional leaders, including in relation to federal institutions working at the regional level, have started to weaken²⁴ as a result of the Center’s clearer and tougher political will backed with financial resources (in the chart, this trend is shown as the breaking off of some federal structures from the regional pyramids).

Figure 2. Center - Regions: Shifts in the Power Pyramids, 1998-1999

The changes taking place in relations between the Center and the regions are illustrated by a chart in Figure 3. What makes it different from the previous trends is not only the emergence of an intermediate tier represented by federal *okrugs* headed by plenipotentiary presidential envoys and chief federal inspectors. Considerable changes have taken place at the pinnacle of the federal pyramid (the Presidential Administration, Government and Security Council as the triumvirate of executive power under the President) and at its bottom: the role of the Federal Assembly and especially the Council of Federation has been diminished, while the role of the judiciary and procuracy has grown (the creation of 21 inter-regional administrative judicial *okrugs* and the corresponding Collegium under the Supreme Court; establishment of Federal Procuracy branches in the federal *okrugs*); the independence of former oligarchs and infrastructure monopolies has been eroded further. At the same time, regional barons have been losing their monopoly on power.

Figure 3. Center - Regions: Power Pyramid Shifts as of the End of 2000

The above shows with exceptional clarity that the strengthening of the Center at the end of 1999 - beginning of 2000 was not a sudden or unprepared occasion, but a process developing along the lines which were mapped out earlier, in 1997 and 1998. It is only at this point in time that the consolidation of the elites in the Center and the changed social, economic and political situation enabled full-scale implementation of the earlier plans to strengthen the state and state power.

It must be noted that in the context of contemporary Russian politics, a certain degree of centralization and unitarization might be even beneficial for the following reasons:

(1) civil society is impossible to build on the basis of small cells whose political development is drifting in different directions due to: (a) low caliber of the local elites in a situation when an influx of elites from the outside is restricted or forbidden at all; and (b) inevitable “bourbonization” in the absence of a normal system of checks and balances, real competitive environment and requisite social institutions;

(2) in their present form, Russian regions are still too fragmented and too petty for the purposes of federalization. Some of the regions do not have enough capacity to be real subjects of the federation and fully perform the appropriate functions; other regions can only be federal territories;

²⁴ Each region has tens of federal institutions according to Mikhail Prusak’s estimates, there were 87 federal institutions in the Novgorod Oblast in 1999) with a total staff two times larger than the regional bureaucracy (380,000 against nearly 180,000). Many of them, including courts, Ministry of Internal Affairs, procuracy etc., although formally reporting to the Center have long been “domesticated” by the local barons, and are fully dependent on, and therefore loyal to, them.

(3) strong federal power and development of the single political space promotes second-tier decentralization, i. e. redistribution of power between the regional and local levels of government in favor of the latter;

(4) preservation and development of the single political space will facilitate the separation of economic activity from politics; segregation of political and economic power which, in particular, turns governors from feudal lords into top corporate managers.

As the decentralization - centralization pendulum sways, a specially important problem is the one of finding an optimal balance of short-term and long-term prospects, the unitary-centralist and federalist components. However, the optimal point cannot be reached at once, besides, that point is always shifting as political and economic conditions change. It is even more naive to hope that “the political debris” will be cleared out first and only then a normal federation will be created: the process of federalization will simultaneously with other processes reflecting all the grimaces of the Russian political landscape and changing with it.

IV. Prospects for future

So far, the relations between the Center and the regions as well as the state-territorial composition of the country as a whole are at a transformation stage. In terms of the proposed pendulum pattern the system has already departed from the normal swaying mode to a more centralized and more unitary state. The on-going transition to a new state may be more gradual as well as more radical, depending on the nature of political developments. At various stages of the transition process, federalism may become the quintessence of the political process, or find itself on the periphery, having been turned into a theatrical property or ritual, which is the case in today's Russia. Hardly anything will change until the development of civil society in Russia generates conditions for new transformations whose vector is objectively aimed at a more sophisticated system of power combined with clear delineation of authority and delegation of much of the authority to lower levels of government.

Changes in the country's territorial and state structure appear to be inevitable. This, however, does not necessarily mean that Constitutional changes will ensue - the Center is perfectly capable of strengthening further even within the confines of the existing legislation. As one of the leading experts on Russian constitution has pointed out, “Russia's state system is not a federation, but a certain state of dynamic equilibrium between the threat of national disintegration and a compensating unitarist trend. In a longer term (provided none of the competing trends actually wins before that), the federal state system will not emerge before civil society has been formed which would limit the interference of authorities in property ownership issues, and be isolated from the sphere of state competence whereby public policy issues are addressed. It is only in a situation like this that a true federation is possible...” (Chetvernin, 1997, p. 87).

Changes will also affect both elements of the state-territorial composition and the system of ties therein: vertical inter-level ties and horizontal ones within one and the same level. These elements will, almost inevitably, become larger due to purely political reasons rather than any abstract considerations of self-sufficiency and management conveniences. Enlargement has both advantages and disadvantages. The main disadvantage is the stronger threat of separatism due to a considerable increase of the political and economic resource of the few newly-elected regional leaders (it is surprising that every time they come up with the idea of regional enlargement, federal authorities insist that it would be a measure to counter separatist sentiments). Easily the main advantage is the transition to a multi-center, multi-polar economic and political system instead of the current system of hyper-centralism; creating conditions for the development of civil society and preventing strong administrative pressure on individuals.

Will recentralization and the attempt to recreate a unitary system be effective in today's Russia? The first two years of experience with the system of federal districts provides contradictory evidence. On the one hand, the new policies do seem to be removing gubernatorial control over the military, police, and federal agencies that rightfully belong under federal jurisdiction. On the other hand, there is little recognition among Putin's advisors that this could go too far, or that excessive centralization was one of the weaknesses of the Soviet system. It is clear from Putin's statements on "restoring" the vertical of power that his main point of reference is the USSR. To someone who is a product of the Soviet system, the elimination of checks and balances appears to increase the manageability and effectiveness of the political system. This may be true in the short run, but there is a huge risk entailed. A highly centralized system runs the risk of collapsing in the face of changing conditions or circumstances.

Putin's top aides and his presidential representatives have only a hazy notion of what constitutes federalism. To an extent this parallels Soviet-era misunderstandings about the nature of a market economy. The absence of a planned or command system for allocating resources was equated with chaos and anarchy. Similarly, the absence of a clear chain of command in the political-administrative sphere is viewed as disorder or a situation that is "out of control". The idea that certain important decisions would actually be made in Russian regions without a directive from the center is alien to this mindset. The same striving for clarity and order will likely encompass the subregional level as well—Russia's cities and towns. Yeltsin's declared policy of creating autonomous institutions of local government was an important affirmation of federalist principles. Putin's plans are not likely to increase the effective powers exercised at the local level, and may result in the direct subordination of mayors to governors.

Not only is the development of a federal system threatened by Putin's policies, but also democratization. The democratization, federalization and popular elections in Russia form a kind of unbreakable triade where each element is directly connected to and depends from two others. "Weak state - weak society", "Weak regions - weaker Center" - that is how the situation until recently could be described in spite of all the rhetoric of different kind. Power is not about how much authority there is, it is about how much of that authority can be effectively implemented²⁵. At present, it is clear that neither the Center nor the regions can effectively implement their authority. As the state becomes stronger, it is inevitable that the elements of democracy generated by a weak state rather than strong society should be weakened or wither away. As regards the regions, the strengthening of the state and the Center means the weakening or withering away of a number of elements of the so called Russian federalism.

The creation of new levels of administrative authority in the form of presidential representatives and new district offices of government agencies does nothing to facilitate Russia's political development. Ultimately, the political center of gravity should be in the regions. In the 1990s, normal political institutions, the organizations that constitute civil society, and independent media have been victimized by the disproportionate power wielded by Russia's governors and republic presidents. Why Center – regions relations are vitally important for the future of democracy in Russia? Since Yeltsin's 'victory' over the parliament in 1993 the division of power by horizontal has shifted essentially in favor of executives and it was the division of power by vertical – between the Center and regions that did replace it, providing a kind of counter-balance to huge and almost uncontrolled power of executives in Moscow. Now, when

²⁵ In terms of the famous Yeltsin's 1990 formula "taking" too much sovereignty is easy; "swallowing" it is more difficult; and "digesting" it is a tall order.

representative branch is even weaker than it used to be under Yeltsin, there are regional leaders whoever they are, who represent the last bastion of democracy in Russia.

If the center were to use its power to guarantee political freedoms and rights in the regions it would encourage participation and democratization. Instead, Putin's policies are designed to create a new level of decision making that is above the level of the regions. This will have the effect of making policy less dependent on governors. But it also puts important policy decisions out of the reach of citizens and their nascent organizations. Needless to say, virtually none of the latter are organized at the federal district level. The few regions that have shown some progress in democratization could very easily see these gains disappear as the locus of policy moves upward.

Illustrative of this point is Putin's policy toward political parties and elections in the regions. Rather than encourage pluralism and allow the "bottom-up" development of grassroots parties, Putin has pushed for the creation of a national super-party through the merger of three of seven parties represented in the Duma: Unity, Fatherland, and All Russia. This new entity is highly centralised under the control of Putin loyalists. As a result of the new 2001 law on political parties, regionally based parties will not be allowed to register and compete in national elections. At the same time, there is an effort to change the rules on electing regional legislatures to require a mixed single-member and proportional representation system (by party list). This appears designed to allow the new superparty to establish a foothold in regional legislatures and deprive governors of control over them. In addition, the presidential representatives have been mobilized to assist in party formation in federal districts, obviously to benefit the *United Russia* superparty.

Plans have been announced to establish an administrative vertical for election commissions, thus giving the center greater control over the conduct of regional and local elections. This is akin to a restoration of a Soviet-style system using a single party to provide a parallel chain of vertical authority that reaches from the top leadership to the lowest level of society. Finally, the president may get additional rights to appoint heads of Federation members if amendments to the law "On the main guarantees of election rights of the citizens of Russian Federation and the right to take part in a referendum" will be accepted by the Duma. The idea of pro-Kremlin factions backed by the Central election commission is to introduce the norm of voters turnout in regional elections at the level of 50%, with elections being held in two rounds. In case turnout is less than 50%²⁶ and elections are recognized invalid, the president will have the right to appoint governors for a term of two years upon agreement with regional parliaments²⁷.

Thus, Putin's vision for Russia appears to be one of strong vertical chains of command: his own administrative vertical based on federal districts and presidential representatives, a police vertical headed by one of Putin's closest allies, Boris Gryzlov, a financial control vertical headed by Sergei Stepashin, a political party vertical, an electoral commission vertical, and others. If implemented fully, the result would be a vertically integrated and horizontally fractured state.

Federalism or it's better to say federalization is almost over in Russia. What will be left behind once the wave of federalism, partially declarative, partially real and so immature and unstable, has subsided? What has Russian federalism achieved over the past few years. What

²⁶ Since 1998, elections in 33 regions have been held with a less than 50% turnout.

²⁷ See Irina Nagornyykh, Putin to appoint governors, *Kommersant*, #42, March 13, 2002.

changes are easily eliminated if not irreversible? Such achievements include colossal experience that has been accumulated in harmonizing the interests of regional and central elites in widely varying conditions, including the diverse forms and institutions of such harmonization; central power's recognition and practical use of the tremendous regional diversity in social, economic, political and cultural terms; and, finally, the emerging and strengthening regional self-awareness.

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