CHAPTER II

INTERFACE OF CENTRALISATION AND REGIONALISM

The federal model that existed during the Soviet period was a façade that veiled a highly centralized political and economic system. Under the Soviet system, the regional governments were largely subordinated to Moscow through such institutional mechanisms as the Communist Party of the Soviet Union (CPSU), the centralized bureaucracy, and the centrally planned economy (CPE). With the collapse of the Soviet Union, the political situation of the regions, in terms of their relations both with Moscow and with each other, has undergone an enormous transformation. During the past decade, Russia has experienced a period of large-scale decentralization that has weakened the federal government and allowed the regions to amass considerable political and economic power.

Arguably, this development has brought Russia closer to the Western federal norm than its Soviet predecessor. After all, federalism is a system of government that is characterized by two levels of authority and a division of powers such that neither level of government is subordinate to the other. However, in Russia the evolution
of a post-Soviet federal institutional structure has not always kept pace with decentralization and other aspects of the transition process that have influenced intergovernmental relations. Moreover, Russia’s emerging institutional structure is a confusing hybrid of Soviet institutional legacies and the new, often ad hoc, institutions of the post-Soviet period. For instance, the territorial structure of the Russian federal system has been largely unchanged since the Soviet period. While these complicated territorial arrangements may have worked for the USSR, they become problematic when mixed with the realities of the post-Soviet transition.

One of the causes and consequences of the confusion inherent in the Russian federal system is the “protracted and damaging war of laws between the federal government and the sub"yekty (89 constituent members of the Russian federation). The Russian Ministry of Justice recently revealed that over 50,000 regional legislative acts do not comply with the federal constitution or with federal laws”.\(^1\) At this critical juncture in Russia’s post-Soviet transition, such legal ambiguities have a negative effect on the reform process by limiting and even inhibiting intergovernmental cooperation. Furthermore, these

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ambiguities discourage both foreign and domestic investment as well as the development of a transparent and ordered administrative structure. Until legal harmonization is achieved, conflicts between federal and regional laws will continue to be a troubling jurisdictional sore on the body politic of the Russian Federation.

Although critically important, federal-regional conflict over jurisdiction and the division of power apparently is not the only source of tension in contemporary Russian federalism. Interregional conflict also has marred the development of the post-Soviet federal state. One unique aspect of Russian federalism that is relatively understudied is the relationship between the autonomous okrugs and their host regions. "An autonomous okrug is a region located within another region. This unprecedented interregional relationship is called as "matryoshka federalism". In a constitutional or legal sense, both the autonomous okrug and the host region are equal and autonomous subjects of the federation. At the same time, however, each autonomous okrug is considered to be a part of its host region".² This ambiguous

relationship has set the stage for interregional conflict between the two types of sub"yekty.

In an effort to understand the complex set of relations underlying matryoshka federalism and to assess their impact on the political and economic stability of the Russian Federation, a focus on the Khanty Mansiysk autonomous okrug is imperative. "Khanty Mansiysk is one of two autonomous okrugs located within a larger territorial entity known as Tyumen' Oblast'. Throughout much of its history, the okrug was politically subordinate to Tyumen' Oblast". During the post-Soviet period, the relationship between Khanty Mansiysk and Tyumen' has undergone a considerable evolution. In addition to achieving constitutional equality with other members of the federation, the Okrug administration has asserted its autonomy from Tyumen' Oblast' and, in particular, has sought to gain more control over the region's bountiful natural resources and the revenues that flow from the sale of these resources. The Tyumen' Oblast' government, on the other hand, has tried to preserve the unity of the oblast', a course of action that has been motivated, to a large extent, by the economic dependence of Tyumen' proper (the southern part of the oblast') on natural resource revenues from the okrugs.

It is important to examine the problems and challenges facing Khanty Mansiysk as it attempts to carve out its own regional identity, while at the same time remaining a committed member of the Russian Federation. Although the okrug has achieved de facto “separation” from Tyumen’ Oblast’, this separation has not yet been fully codified in law. Such legal confusion leaves open the possibility that Tyumen’ Oblast’ will be able to challenge the position of the okrug with the intention of regaining its position in the federal hierarchy. More importantly, it also creates an atmosphere of institutional instability that may discourage much-needed investment in the region’s oil industry, a situation that can have serious ramifications for the economic stability of Russia as a whole.

Autonomous Okrugs: Historical Background

Matryoshka federalism is a legacy of the Soviet period. Josef Stalin created the autonomous okrugs in the 1930s as national homelands for some of the former Soviet Union’s smaller indigenous populations. Under the terms of the 1936 Soviet constitution and the 1937 RSFSR constitution, the legal and political status of autonomous okrugs was lower than that of oblasts. An okrug’s organs
of state power, therefore, were subordinate to the organs of state power of the oblast' in which it was located.

This political relationship persisted until the constitutional changes of the 1970s modified the status of the autonomous okrugs. The revised 1977 Soviet and 1978 RSFSR Constitutions provided the autonomous okrugs with a greater degree of autonomy by strengthening their links with national institutions. They were given representation in the highest organs of the former USSR as well as the right to legislative initiative. Moreover, they were regulated on the basis of an all-Russian law on autonomous okrugs. But despite these changes, the okrugs were still considered parts of their "host" regions; as such, their budgets were still a part of the larger regional budget and the oblast' authorities still had the power to change decisions made by an okrug administration.

The gradual but limited development of okrug autonomy in the late Soviet period intensified during the post-Soviet period. The 1992 Federation Treaty enhanced the political status of the okrugs within the federation by giving them direct relations with and guaranteed representation in federal organs of state power. The 1993 federal Constitution strengthened this autonomy by providing a legal basis for the equality of the okrugs.
with other members of the federation. The Russian Constitution recognizes the autonomous okrugs as equal subjects of the federation in terms of their relations with federal organs of state power and the other members of the federation. The Constitution also outlines each okrug's right to adopt a charter, to form regional organs of state power and local self-government, and to have property and a budget. In terms of jurisdiction and authority, the Constitution also states that autonomous okrugs have areas of concurrent jurisdiction with the federal government, the ability to pass laws, guaranteed and equal representation in the Federal Council, and the right to submit legislative initiatives to the State Duma.

Owing to a general lack of clarity and transparency within the contemporary Russian federal structure, confusion and ambiguity are the dominant features of the relationship between the autonomous okrugs and their host regions. As was the case with many other constitutional issues, the federal government initially avoided the difficult task of defining the legal parameters of oblast'/okrug relations. Since 1995, Moscow has made some attempts to clarify this relationship, but has yet to comply with the 1993 Constitution and pass a law on
relations between autonomous okrugs and their host regions.

Part of the reason for this delay may simply be that there is no easy solution. At the time of the Soviet collapse, it was convenient and politically expedient to retain the territorial divisions that had existed under the Soviet federal model. While the centralized Soviet system precluded interregional conflict, decentralization and destabilization, the late Soviet and post-Soviet periods have encouraged such divisions to arise. Over the past decade, the politics underlying the relationship between the autonomous okrugs and their host regions has changed in response to the broader transformation taking place in the Russian Federation. The institutional relationships, however, have remained static or, at best, have only been altered in a superficial manner, thus providing the basis for interregional conflict.

Another problematic feature of contemporary Russian federalism is Moscow’s attempt to appeal to a wide variety of regions with different opinions on the question of symmetry and asymmetry. The federal government’s ambivalent stance on this issue has given rise to a conflicting set of rules about the nature of the federation. The ambiguous relationship between the
autonomous okrugs and their host regions, and the country as a whole.

The following analysis shows how demands for regional autonomy or, for that matter, separatism raises it head.

The Khanty Mansiysk autonomous okrug is located in western Siberia, approximately 2800 km east of Moscow. It forms the central portion of Tyumen’ Oblast’, a vast region that stretches from the Kara Sea in the High Arctic to the borders of Kazakhstan in Central Asia. The okrug covers a territory of 534.8 thousand square kilometers, making it slightly smaller than Ukraine and slightly larger than Spain. "Most of this territory is made up of swampland and marsh (44.3 percent), as well as forest (44 percent). The remainder is arable land (3 percent) and rivers/lakes (6.6 percent). With a population of only 1.3 million people, the okrug is home to less than 1 percent of Russia’s total population. It is interesting to note, however, that the okrug population has grown by 1 million during the past 30 years as a result of rapid development of the oil industry in the region".4 Most of the region’s inhabitants, therefore, are newcomers from other parts of what are now the Russian Federation and the independent states of the Former Soviet Union.

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Khanty Mansiysk was created on December 10, 1930, as a national homeland for the Khants and Mansii, the indigenous aboriginal tribes in the region. At this time, the okrug was sparsely populated and underdeveloped. Although the region had long been a place of exile for prisoners of the Tsarist and Soviet regimes, it had no rail connections with European Russia and very little industry. The economic and industrial development of the okrug began in the 1960s when large deposits of oil were discovered in its vast expanses of forest and swampland. The region's largest cities - Surgut, Nizhnevartovsk, and Nefteiugansk all are products of this rapid development and thus are intimately connected with the oil industry. Nizhnevartovsk in the eastern part of the okrug, for example, is basically a service center for the giant Samotlor oil field.

"Khanty Mansiysk produces approximately 70 percent of Russia's total oil output. It has more than 500 oil and gas deposits with established reserves of 20 billion tons and projected reserves of 35 billion tons. In addition to being Russia's largest oil producer, second-largest electro-energy producer, and third-largest gas producer, the okrug also contains many other resources and minerals,
including gold, quartz, iron ore, bauxite, and coal.⁵ As a result of this enormous natural resource wealth, Khanty Mansiysk is a net donor to the federal budget. In 1996, the okrug transferred more than 60 percent of its taxes to the federal government. Every tenth rouble in the federal budget and 30 percent of Russia's hard-currency earnings come from the okrug. Moreover, Khanty Mansiysk is consistently in the top ten Russian regions in terms of economic potential and, as a result, is one of the main destinations for foreign investment.

In spite of this enormous resource wealth and future economic potential, Khanty Mansiysk, like many other northern regions, has its fair share of problems. The sources of many of these problems can be traced to the Soviet period. Successive Soviet governments saw the North as simply a supplier of raw materials to fuel economic expansion in the more industrialized parts of the country. Throughout the past 30 years, the okrug has endured the merciless exploitation of the oil branch with very little compensation from the central government.

While this type of development strategy and the revenue it brought to the central budget may have eased the problems of the country as a whole, it left its mark

on the okrug in terms of infrastructure problems, a legacy of environmental degradation, and a lack of economic diversification. Eighty percent of settlements in the okrug are not electrified, 90 percent are without gas, and more than 80 percent of the roads do not have hard surfaces. Practically all goods have to be imported into the region, resulting in high prices. Moreover, many towns and communities depend on the resource industry for their economic well-being. When world resource prices fall or when political and economic uncertainty discourages investment and development in the resource sector as is the case at present in Russia), these towns face unemployment and a considerable drop in the standard of living. Unemployment has become a serious and actual problem for the whole okrug. The reduction of industrial production and oil and gas output brings with it a considerable fall in the demand for work.

Post-Soviet regional politicians have argued that more emphasis should be placed on using the remaining resource wealth to benefit the okrug. Although they stop far short of declaring economic or political independence from the Russian Federation, these politicians advocate greater economic and financial autonomy for the okrug in relation to Moscow and, more importantly, less dependence
on Tyumen' Oblast'. Some steps have been taken in this direction. However, much work needs to be done if the okrug is going to overcome the heavy legacies of the past and meet the challenges of economic diversification in the future.

Of the many figures who have played a role in Khanty Mansiysk's struggle for autonomy in the post-Soviet period, two in particular stand out: Valeriy Churilov, the head of the okrug Soviet or legislative branch until 1993, and Aleksandr Filipenko, the okrug governor since 1991. In the early 1990s, Valeriy Churilov was instrumental in strengthening the financial position of the okrug. He captured oil company rent for Khanty Mansiysk that had been previously sent to Tyumen' city, the capital of Tyumen' Oblast'. He also built relations with foreign investors and businessmen, independently of Tyumen'. In the period following the Soviet collapse, Churilov clashed repeatedly with Yuriy Shafranik, the future head of the federal Ministry of Fuel and Energy, who at the time was governor of Tyumen' Oblast'. Churilov's tenure as head of the okrug legislature lasted until late 1993, when Boris Yel'tsin dissolved the local Soviets following his clash with the federal parliament. Although Churilov supported Yel'tsin in his struggle with the Russian Supreme Soviet,
the institutional transformation of the local Soviets into weaker and smaller dumas effectively undercut this power based in the okrug.

Since the political demise of Valeriy Churilov, the most prominent political figure in the okrug has been its governor, Aleksandr Filipenko. Unlike Churilov, Filipenko benefited from the institutional changes of 1993, which strengthened the position of the regional executive branches at the expense of the regional legislatures. Like many other members of the regional political elite, including Churilov, Filipenko had worked in various parts of the Communist Party apparatus during the Soviet period. During the 1970s, he worked for the okrug ispolkom and eventually rose to the position of First Secretary of the Berezovskiy raykom in 1983. Boris Yel’tsin originally appointed Filipenko governor in 1991. In 1996 he won the first okrug gubernatorial election, and he has maintained a strong and consistent presence in the region throughout the post-Soviet period. Essentially conservative in political orientation but well aware of the need for economic reform, Filipenko is extremely interested in the internal economic development of the okrug and of the North in general. He is also considered to be a strong figure who is capable of negotiating with the ‘oil
generals’ - the men who lead Russia’s petroleum companies and play such an important role in the okrug’s economy.

Unlike many other regions, relations between the governor and the other parts of the okrug administration are cordial and cooperative. Filipenko has a very good working relationship with his deputy, Vladimir Karasev, and enjoys good relations with the members of the Duma, the okrug’s legislative branch. The fact that Sergey Sobyanin, the former head of the Duma, was Filipenko’s deputy for several years strengthened the close relationship between the executive and legislative branches. “There is little doubt, however, about who is in real control of the situation the Duma speaks about ‘what should be’, but Filipenko speaks about ‘what is’”. ⁶

While cordial relations between the various branches of government seem to have provided Khanty Mansiysk with a certain amount of political stability, the okrug is not totally free from the types of political disputes that exist in other regions. One of the challenges facing the okrug government in the post-Soviet period concerns the fate of its small but significant aboriginal community. Khanty Mansiysk’s status as an autonomous okrug (and as an equal subject of the federation) is a direct consequence

of its native population. The reality is that without this population, the region would probably still be a district of Tyumen' Oblast' with very little political or economic autonomy, let alone equal status within the federation.

However, the uncertainties of political and economic transition have compounded problems such as domestic violence, unemployment, alcoholism and the disappearance of the traditional lifestyle. Although the Soviet regime destroyed many aspects of traditional native culture, there is a certain amount of nostalgia among the aboriginal population for the stability that existed during Soviet times. Now that this stability has disappeared, this population has become extremely fearful of market reforms.

The okrug Duma Committee for the Small Peoples of the North has worked closely with the Assembly for the Small Peoples of the North in finding solutions to the concerns of the native community and its leaders. It is through this committee that the okrug operates many of the programs designed to help the indigenous population deal with the problems of transition. The okrug government has also attempted to involve aboriginal leaders in the legislative process, both informally by seeking their advice at the committee stages and, in a more formal
manner, by providing the population with guaranteed representation in the legislature. Whereas these measures do provide a voice in okrug affairs, many aboriginal leaders argue that this voice is still not as strong as it should be. For example, six seats in the Duma are supposed to be reserved for native representatives. In 1998, however, members of the aboriginal community held only two of those seats.

Mainly those who support the unity of Tyumen' Oblast', have accused the largely Slavic (ethnic Russian and Ukrainian) industrial-economic, financial, and political elites in the okrug of supporting indigenous rights as a means of bolstering the okrug's autonomy and protecting their own political and economic interests. While there is only limited evidence to suggest that officials in the oblast' and okrug governments support such views, these types of accusations have soured relations between the oblast' and okrug governments in recent years.

Khanty Mansiysk's Relationship With Tyumen' Oblast'

The case of Khanty Mansiysk highlights a different yet equally important feature of the complex and constantly evolving system of intergovernmental relations in the Russian Federation: interregional conflict. Unlike
most regions, the main challenge to the autonomy of the okrug does not come from the federal government, but rather from Khanty Mansiysk’s ‘host region’ - Tyumen’ Oblast’.

Khanty Mansiysk’s legal position in relation to Tyumen’ is largely confusing. The federal constitution provides the legal basis for the equality of all 89 subjects of the federation, a figure that includes the ten autonomous okrugs. At the same time, it reinforces the inequality of some sub’yekty in relation to others by stating that autonomous okrugs fall within the jurisdiction of their respective host regions. In the case of Khanty Mansiysk, this essentially means that the okrug occupies the ambiguous position of being both an autonomous, equal subject of the federation and a part of a larger subnational, territorial entity, the result is confusion. "Where the boundary of authority lies, neither the constitution nor the Federation Treaty can give an honest answer. Legal experts in Moscow have even coined a new term for such region. They refer to Tyumen’ Oblast’ as a slozhno-sostavlennyy sub’yekt federatsii. Loosely
translated, this means a complexly structured subject of the federation". 7

The sheer number of conflicting documents that attempt to codify the okrug’s legal status reflects the complicated nature of Khanty Mansiysk’s relations with Tyumen’. The constitution states that as subjects of the federation, the okrugs are allowed to have their own charters, budgets, and systems of executive, legislative, and state power. This document, however, is very vague regarding relations between autonomous okrugs and their “host” region. Largely, it avoids the controversy of defining this relationship. Article 66(4) declares that “the relations of autonomous areas that form part of a territory or region may be governed by federal law and a treaty between the bodies of state authority of the autonomous area and, respectively, the bodies of state authority of the territory or region”. The Federation Treaty, on the other hand, actually consists of three separates documents that create legal and political distinctions between the various sub“yekty, but say little about relations between them.

At the present time, the federal law referred to in the Constitution on relations between autonomous okrugs.

and their host regions does not exist. There have been some attempts to pass such a law, but the process has faced controversy and conflict. "One version of the draft law passed first reading in the State Duma on November 17, 1995, after almost 11 months of discussion involving the Committee for Federal Affairs and Regional Policy, various subjects of the federation, and other State Duma committees. This draft was submitted by the Tyumen' Oblast' Duma, a body that includes a majority of representatives from the region's two okrugs. Suggested amendments to this draft law number almost 150, of which the committee approved over 100". Needless to say, the organs of state power of the Khanty Mansiysk and Yamalo Nenets autonomous okrugs recommended many of these amendments, especially those in the area of natural resources.

Although the okrugs genuinely opposed many of the provisions in the draft law, it is likely that their opposition also stemmed from the fact that a governmental body representing Tyumen' Oblast' had proposed the draft. There have also been suggestions that the draft became caught up in the wider struggle between the executive and legislature at the federal level. The State Duma

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apparently passed the draft because it contradicted the executive-dominated constitution. Conversely, the okrug’s rejection of the draft was supported by President Yel’tsin and several other federal ministries. After finally being passed by the State Duma, the draft was sent to the Federation Council for further consideration. The Federation Council, however, was unable to agree on the draft and in turn submitted it to a conciliatory commission for further modification. It still languishes, unpassed, in the federal parliament, and the twisted process of defining oblast'/okrug relations continues.

In January 1997, the governors of Khanty Mansiysk, Yamalo Nenets, and Tyumen' signed a treaty on economic, legal, and socio-cultural cooperation. In part, this agreement meets the objectives outlined in the federal constitution regarding okrug/oblast’ relations; it is important however, that it is only an agreement on cooperation and, as such, it has limited legal force. For example, its provisions on natural resources offer no firm guarantees that Tyumen’ proper will continue to benefit from or have any control over resource production in the okrugs.

Another means of codifying relations between Khanty Mansiysk and Tyumen’ would be through a trilateral treaty
involving the okrug, the oblast', and the federal government. "Such treaties have been signed by a number of other sub'yehty federal units including Irkutsk Oblast' and the Ust'-Ordynskiy Buryatskiy autonomous okrug, and Perm Oblast' and the Komi-Per autonomous okrug these agreements are important step in the evolution of interregional relations". A brief study of the agreements, however, reveals that they focus primarily on center-periphery relations and therefore avoid some of difficult decisions regarding the relationship between autonomous okrugs and their host regions.

In the main treaty between Irkutsk Oblast', the Ust'-Ordynskiy Buryatskiy autonomous okrug, and the Russian Federation, the representatives of all three governments are signatories. The signatories of the side agreements, however, include only the representatives of the federal government and the oblast' - despite the fact that the agreements clearly make reference to the okrug and its inclusion in the territory of the oblast'. Given the level of autonomy demanded by Khanty Mansiysk, it is unlikely that such a treaty could provide a model for a reconstructed Tyumen' Oblast'.

9 Ibid., pp.211-220.
The treaty between Perm Oblast' and the Komi-Perm autonomous okrug follows a similar pattern as the Irkutsk treaty, with the representatives of all three governments included in the list of signatories. But unlike the Irkutsky treaty, it contains no side agreements. With regard to clarifying the relationship between the oblast' and okrug, Article 15 of the treaty states:

"Relations of the oblast' and the autonomous okrug are determined by the existing treaty, in addition to [other] agreements and also a treaty and agreements on mutual relations between the organs of state power of Perm oblast' and the organs of state power of the Komi-Perm autonomous okrug in accordance with Part 4, Article 66 of the constitution of the Russian Federation."\(^\text{10}\)

The treaty itself provides little guidance on the matter of interregional relations, focusing mainly on the division of powers and responsibilities between the federal government and the region as a whole rather than a specific division of powers between the oblast' and the okrug. It is doubtful, therefore, whether such a treaty would help to clarify the interregional relationship between Khanty Mansiysk and Tyumen'.

Although Khanty Mansiysk's political elites have expressed their support for the autonomy of the okrug, the general population may still have some reservations about

\(^\text{10} \text{Dogovor, Europe-Asia Studies, Summer 1996.}\)
Many of Khanty Mansiysk’s inhabitants came to the okrug during the Soviet period and still consider themselves citizens of Tyumen’ Oblast’ rather than citizens of the okrug. Moreover, they feel that the autonomy issues distracts the government’s attention from other, more important concerns, such as unemployment, living conditions, the wage payments crisis, and narcotics trafficking. Politicians in Tyumen’ proper have used these concerns to bolster their own claims for the unity of the oblast’. Officials such as Tyumen’ Governor Leonid Roketskiy argue that okrug autonomy is something that is needed only by ambitious politicians who dream that the disintegration (of the oblast’) will satisfy their private or corporate interests.

Even though the federal government supported Roketskiy and his attempts to preserve the unity of the oblast’ in the past, the federal commitment to the unity of the oblast may eventually give way to financial considerations. In fact, it is possible that the federal government would gain more in the form of revenues from two totally autonomous okrugs than it would lose in additional subsidies to a separate Tyumen’ proper. If this is the case, then Moscow’s lack of direction on the question of the legal status of autonomous okrugs could be
a calculated effort to promote interregional conflict and the eventual dissolution of Tyumen' Oblast'.

The overriding importance of natural resources to the economies of both Khanty Mansiysk and Tyumen' proper has aggravated interregional disharmony. The Tyumen' government argues that between the 1960s and 1991, almost all investment in the oblast' was directed at the development of the oil and gas complex, much of which is located in the okrugs. They contend that the oil sector and the cities that grew up around it were all built with national and all-oblast' interests in mind, not the narrow interests of the okrugs. Given the "sacrifices" that the oblast' has made for the development of the okrugs, many political elites in Tyumen' proper feel it is a time for the okrugs to support the development of the southern part of the oblast'. This is a common attitude among oblasts that now feel cut off from their wealthier okrugs.

Politicians in Khanty Mansiysk downplay accusations that they are intent on dismantling the oblast'. They merely want to secure the type of political and economic autonomy that will allow for the future development of their okrug. Although Khanty Mansiysk has a great deal of economic potential, the okrug faces enormous developmental challenges. Moreover, okrug elites are highly critical of
the way in which 'so-called' development occurred in the past. Commenting on previous development strategies, Aleksandr Filipenko paints a very different picture of the okrug's economic evolution during the Soviet period: "From our land, 6 million tons of oil for the sum of 0.5 trillion dollars was literally taken. We were absolutely destitute. From our wealth, the local inhabitants received negative consequences in the form of all sorts of ecological calamities".\(^{11}\)

One of the ironies of this political infighting between elites in the okrug and oblast' governments is that many of these officials worked together in Khanty Mansiysk during the Soviet and have been known to cooperate when it serves their mutual interests. In public, they often maintain that their relations throughout the post-Soviet period have remained cordial and cooperative. It is apparent, though, that the continuing problems surrounding the legal position of the okrug in relation to the oblast' and the division of revenues from resource wealth have contributed to the political rhetoric between okrug and oblast' officials.

In addition to the tussle over the oblast' charter, the question of okrug participation in the oblast's

gubernatorial elections has strained oblast'-okrug relations. The impact that the issue had in terms of “reshaping the administrative and political map of Russia” may be compared to that of the Chechen War or Tatarstani demands for autonomy. The problem initially arose when the two okrugs refused to participate in the 1996 elections for the governor of Tyumen’ Oblast’. At the time, many regions were holding their first post-Soviet, democratic, gubernatorial elections. Previously, President Yel’tsin had appointed the governors of many Russian regions, including Tyumen’, Khanty Mansiysk, and Yamalo Nenets.

The administrations of both Khanty Mansiysks and Yamalo Nenets felt that the involvement of the okrug populations in the elections could serve to legitimize and extend the authority of the oblast’ governor over the okrugs. Either way, the governments of both okrugs felt that their participation in the election would jeopardize the status of the okrugs as equal and autonomous subjects of the federation.

In an attempt to ensure equal levels of voter participation throughout the whole oblast’, President Yel’tsin issued a decree stating the election must be held on the same day. “In response to the decree, the Tyumen’ Oblast’ Duma switched the date of the oblast’ election
from December 22 to October 27, the same day as the Khanty Mansiysk gubernatorial election.12 Tyumen' and Moscow hoped that this would also convince Yamalo Nenets to change its election date from October 13 to October 27. That did not happen. In fact, the governor of Yamalo Nenets, Yuriy Neelov, argued that since there is no provision in Russian law for electing the governor of one region in the territory of another, the Tyumen' gubernatorial elections would not take place in his okrug until a power-sharing agreement had been signed between the oblast' and the okrug. Khanty Mansiysk made similar demands. When President Yel'tsin's First Deputy Chief of Staff, Aleksandr Kazakov failed to resolve the situation, Yel'tsin was forced to postpone the Tyumen' election until December.

As scheduled, Khanty Mansiysk held its election on October 27, and for a time, it looked as if neither okrug would participate in the rescheduled Tyumen' election. Only considerable federal pressure and the continued diplomacy of Aleksandr Kazakov and Rem Vyakhirev, the head of the massive Russian resource conglomerate Gazprom, eventually convinced both okrugs to comply. This episode demonstrates the complex and politically charged nature of the relationship between Khanty Mansiysk and Tyumen'.

12 OMRI Russian Regional Report, October 16, 1996.
proper. Moreover, it provides a good indication of the political aspirations of the okrugs and the lengths to which they will go to preserve their autonomy.

Because of the problems encountered during the 1996 elections, there is some concern that the same type of interregional animosity and political manoeuvring will mar the next gubernatorial election.

"In an effort to prevent Neelov from running for the Tyumen' governorship, Roketsky called a special session of the Tyumen' Oblast' legislature to request a change in the gubernatorial elections from January 2001 to March 2000, the same time that the okrug elections were held. But the oblast' legislature, which was dominated by deputies from the two okrugs, refused to sanction such a move". 13

Why should Neelov have run, when already firmly placed in the Yamalo Nenets governorship? It could be attempt to stay in power in the event that the new president, Vladimir Putin, restructures the federation by merging the okrugs into their host regions. He may also be seeking to expand his political influence by winning the oblast' governorship and recentralizing the region. Although Aleksandr Filipenko had not yet expressed any interest in running, his support was a crucial factor for

13 Ibid.
all the candidates. "There were some chances that Filipenko would support Roketskiy because Neelov represented threat to the status quo and would centralize authority in the oblast' in a more efficient manner than would Roketskiy. If that is true, Filipenko would likely have the support of local oil producers, who seem to favour the current loosely structured territorial arrangement of the region". 14

Khanty Mansiysk's Relationship With the Federal Government

Given the history of resource exploitation in the region, the fact that the okrug is a net contributor to the federal budget and the turbulent nature of federal-regional relations in the post-Soviet period, it is unusual that the okrug government is content to maintain its current political status within the federation. After all, other regions, with far less wealth, have demanded changes in both their relationships with the federal government and their status in relation to other regions. "Perhaps the most prominent examples are Tatarstan's successful attempt to redefine its relations with Moscow on the basis of a bilateral treaty and Sverdlovsk Oblast's unsuccessful attempt to have its status upgraded to that of a republic. Demands such as these have placed a

considerable amount of pressure on the fragile bonds that hold this asymmetrical federation together".  

In addition to demanding changes in political status, many regions have challenged the federal government's role as principal lawmaker by adopting laws that contradict federal legislation. Even in areas of concurrent jurisdiction, such as natural resources, the Russian constitution clearly states that regional laws are not supposed to contradict federal legislation. This prohibition, however, has not stemmed the tide of legal contradiction that has dogged federal-regional relations in the post-Soviet period. One of the main challenges facing Russia at this point in its post-Soviet transition, therefore, is the task of harmonizing federal and regional legislation.

It has been argued that resource-rich regions have the greatest interest in declaring economic sovereignty from the federal government, primarily by asserting control over their natural resources. While some regions have issued such declaration in an attempt to gain control over their natural resource-wealth away from the federal government, it seems that different concerns motivate the political aspirations of other regions in this policy

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area. Despite the fact that Khanty Mansiysk is one of the richest resource regions in the Russian Federation, the okrug's fight for the greater autonomy has been directed more at Tyumen' Oblast' than at Moscow. Indeed, the government of Khanty Mansiysk, unlike many other resource-producing regions in the Russian Federation, has placed added emphasis on cooperation with the federal government in areas such as the harmonization of resource legislation and the practical management of the resource sector.

It could be argued that the importance of Khanty Mansiysk and the Western Siberian oil industry to the Russian economy underlines the close and cordial relationship between the federal government and the okrug. Moscow clearly does not want to jeopardize the flow of resource revenues into federal coffers and, therefore, keeps Khanty Mansiysk in good humour. At the same time, Moscow uses a divide-and-rule strategy to keep the regions in check. During the crisis over the gubernatorial elections, for example, the federal government appeared willing to support both sides in the struggle.

Another explanation for Khanty Mansiysk's cordial relations with Moscow is that this type of relationship strengthens the okrug's claim for autonomy from Tyumen' proper. The Russian Constitution guarantees the okrug's
status as an equal and autonomous member of the Russian Federation. It also allows Khanty Mansiysk to capture a greater share of the resource rents from its oil industry. The government of Khanty Mansiysk thus has a reason to be faithful to the document, including its provisions on legal harmonization.

While it would be misleading to say that Khanty Mansiysk’s relationship with the federal government is totally devoid of conflict, the okrug does seem to enjoy more cordial relations than many of the other sub"yekty. The okrug is a consistent donor to the federal budget. Moreover, Khanty Mansiysk has not demanded special status beyond that currently outlined in the constitution. As Sergey Sobyanin states, "[we] never said that we wish to declare ourselves a republic, to separate, to receive more than other subjects of the federation. On the contrary we always confirmed that we unquestioningly subordinate ourselves to the constitution of the Russian Federation and her laws". In Khanty Mansiysk, unlike most regions, the political turmoil surrounding its position within the federation has revolved around its relationship with Tyumen’, not the federal government. Given the short yet turbulent history of intergovernmental relations in the Russian Federation, Moscow must look upon its relationship

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with Khanty Mansiysk as a welcome respite from the usual federal-regional battles and demands for greater autonomy.

**Federal Reforms Under Putin**

In recent months, President Vladimir Putin has embarked upon an ambitious series of reforms in Russia’s federal structure. This reform programme involves changes in both the composition of the federation and its *sub’yekty* and institutional reforms at the federal level of government. While the extent to which Putin will change the federal system is not yet fully known, the purpose of the reform program is clear: to strengthen the federal government’s position in relation to the regions.

“In May 2000, Putin signed a decree ordering the creation of seven federal districts (*federal’nyye okrugi*). Each district comprises approximately ten geographically contiguous regions and is headed by a presidential representative (*namestnik*). The presidential representative presides over a set of federal inspectors whose main responsibilities will be to enforce federal laws, coordinate the activities of federal bodies of executive authority, and monitor the legality of regional legislation. The district system replaces the largely
ineffective system of regional presidential representatives".\textsuperscript{17}

These reforms have both positive and negative effects on the autonomy of the component parts of Tyumen' Oblast', which are located in the Ural federal district. "Khanty Mansiysk and Yamalo Nenets enjoy strong representation in the district hierarchy. Sergey Sobyannin, the former head of the Khanty Mansiysk Duma, and Mikhail Ponomarev, the former deputy governor of Yamalo Nenets, are deputies of Petr Latyshyev, the presidential representative for the Ural district".\textsuperscript{18} At the same time, however, the autonomy of the okrugs will be compromised by the fact that there will be only one federal inspector in regions that include autonomous okrugs. "The federal inspector for the three regions of Tyumen' Oblast' will be based in Tyumen' proper. More importantly, al federal agencies will be moved from the autonomous okrugs to the oblast' or kray in which they are located".\textsuperscript{19}

Another structural reform that has affected the federal system in Russia is the creation of two new consultative bodies, the State Council and its Presidium. "The State Council is supposed to meet every three months at the request of the president. Its membership includes

\textsuperscript{17} Ibid.
\textsuperscript{18} EWI Russian Regional Report, August 2, 2000.
\textsuperscript{19} Ibid.
the president, the presidential representatives, and the head of the regions. The Presidium is a much smaller body that meets on a more frequent basis. It is composed of the president and seven regional heads, with membership rotating every six months. The current Presidium includes such influential regional leaders as Moscow mayor Yuriy Luzhkov, Tatarstan President Mintimer Shaymyev, and Leonid Roketskiy".20

Roketskiy’s inclusion in the first Presidium does not necessarily mean that Tyumen’ Oblast’ will regain its former dominance over its okrugs (since the membership of the Presidium rotates, the heads of all okrugs will eventually become members). It is indicative, however, of the Tyumen’ governor’s close relationship with the new president and the level of his power in the region as a whole. In the December 1999 State Duma elections, Roketskiy supported Yedinstvo, the party most closely associated with Vladimir Putin, while Aleksandr Filipenko supported the ill-fated and rival movement Vsya Rossiya. Although Filipenko later supported Putin in his presidential campaign against Gennadiy Zyuganov, his earlier transgression may have tainted his relationship with the president.

20 Jamestown Foundation Monitor, September 6, 2000.
"Perhaps the most serious reform proposal, at least from the Perspective of Khanty Mansiysk, is the idea that the number of sub"yekty should be reduced by re-merging the autonomous okrugs with their host regions. Although such a move would likely garner considerable support, especially among those okrugs that are financially dependent on their host regions, resource-rich okrugs such as Khanty Mansiysk, Yamalo Nenets, and possibly the Nenets autonomous okrug would strongly oppose such a reconfiguration of the federation". 21

However, any federal moves to change the status of the okrugs would likely be motivated by financial rather than political considerations. If Moscow thought it could garner more revenue from an autonomous Khanty Mansiysk than a unified Tyumen' Oblast', it would be inclined to preserve the existing arrangement. The okrug, on the other hand, is wary of federal attempts to extract more revenue from donor regions. Sobyanin pointed out:

"For us, the most important factor in our relations with the center is stability. However, in recent times, despite the introduction of the law establishing a 50-50 split of revenues between the center and the region, there have been attempts by the center to change this balance. Last year the split was changed by 3 percent. This year, I am sure, the

balance will be 40-60 in favour of the center".22

Thus, in many respects, the Russian case supports Samuel Huntington’s theory that political instability is the product of rapid social change and the mobilization of new groups into politics coupled with the slow development of political institutions. Mattyoshka federalism underscores the problem of institutional development and legislative reform in this nascent federal state. Basic changes in the constitutional structure of the Russian Federation have encouraged regions like Khanty Mansiysk to assume more control over their administration. But the lack of a detailed legal codification of the okrug’s relationship with Tyumen’ Oblast’ has marred relations between the two sub“yekty. The resulting confusion and animosity has in turn had a negative effect on the region’s economic and political development.

At the same time, this case study reveals that the development of a federal state in contemporary Russia is complicated by other factors such as the lingering presence of Soviet institutional legacies and the increasingly blurred division between politics and business. The conflict between Khanty Mansiysk and Tyumen’ serves as a reminder of the difficulties of blending

Soviet institutional legacies with post-Soviet realities. *Matryoshka* federalism worked during the Soviet period because the federal structure was a façade that veiled the highly centralized nature of the political and economic system. Now that Russia has cast aside Soviet centralization in favour of "real" federalism, the ambiguities and shortcomings of the Soviet federal model have come to the fore.

The case of Khanty Mansiysk and Tyumen' clearly demonstrates that the legal ambiguities of *matryoshka* federalism have aggravated interregional conflicts that could threaten the political and economic stability of both the regions and the federation as a whole. Until the institutional framework underpinning this relationship is clarified and solidified, it is likely that the two regions will continue to battle for political authority—a disconnecting thought given the economic importance of the region to the Russian Federation.