Chapter III

Contemporary Patterns of Regional Politics in Russia

Russia’s regions vary in population, size and structure, occupational patterns, in orientation and dependency towards Moscow, and above all in their values. Regional governments are becoming increasingly diverse and no single approach can cover the enormous heterogeneity in Russian provincial life.¹ Some regions remain bastions of ‘conservatism’ (e.g. Ulyanovsk) resisting attempts to impose change from the centre; others (like Tambov) after the victory of a Communist in the December 1995 gubernatorial elections sought to restore Soviet power; yet others (like Nizhni Novgorod) have been in the forefront of political and economic reform; while all have taken advantage of the weakness of the centre to seize powers and a degree of sovereignty that in certain cases poses a threat to the continued existence of the Russian state itself. Within the localities themselves at least five institutions have completed since the coup; the regional governor (often called the head of administration), the presidential envoy, the heads of the oblast and city councils and the city mayor.

The politics at the regional level is factionalised and divided along various lines of interest. In such circumstances, pressure from Moscow to pursue often-unpopular reform policies encountered not so much resistance as fell into the general web of paralysis and ungovernability that characterises so much of the Russian state today. Local government and regional politics remain confused, although certain patterns have begun to emerge. In particular, the trend towards strengthening executive authorities in the localities, the emerging alliance between technocrats and the former nomenklatura, increased differentiation between regions with respect to the speed of economic reform, and the striving for regional autonomy. The attempt to re-establish a vertical structure between the centre and the localities has been accompanied by the growth of numerous horizontal

structures between the regions. The fate of the democratic experiment in Russia will be settled as much in the regions as in the central institutions of the state.\(^2\)

**The Institutional Framework**

In the Soviet period, regional politics were defined by a superficially uniform pattern: the Communist Party designated regional party secretaries who were the principal decision makers at that level. At the same time, they were accountable for the regions performance and had considerable discretionary power in performing their functions and were powerful officials in their own right. Regional party first secretaries had real power over political and economic affairs in their regions, some of which was delegated to their subordinates in the regional party committees.

Whereas, post-communist politics in the regions have been marked by a struggle on the part of the central leadership to establish new forms of local rule that would give it some influence over developments in the republics and regions. Yet the weakness of central institutions and conflicts between them has in fact given regional leaders greater freedom to shape their political environment.\(^3\) After the failed August coup in 1991, Yeltsin disbanded the Communist Party hierarchy that effectively controlled the regions. The Oblast governors and presidents of the republics became, in effect regional party first secretaries.

Overall, during the period 1991-97, regional politics and political institutions developed in a constitutional and legal vacuum.\(^4\) The general principles that were set out in the 1993 constitution were still not elaborated in national legislation. According to the 1993 Russian Constitution, the new representative and legislative institutions at the regional level were to be defined in each unit of the federation on the basis of federal law on legislative and executive organs in the regions. As of early 1997, however, no such law had been enacted. A draft law adopted by the State Duma in April 1995 was vetoed by

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\(^4\) Ibid.
the Federation Council and President Yeltsin on the grounds that it violated constitutional provisions for the separation of the executive and legislative—in essence by giving too many powers to the legislature to designate the chief of administration and to overturn his or her decisions. Another law that had not been adopted was the one defining the role of executive power in the regions and its relationship to the presidency and the federal government. For instance, it was unclear under what circumstances, if the centre once elected by the voters could remove any, a republic president or governor.  

Constitutions (in the republics) and statutes (Ustavy) in the oblasts moved into the void, setting out the basic relationships among the organs of power. These began to be adopted in most regions in 1994, though most were approved only in 1995-96 after the formation of new legislative bodies. Many of these documents directly contradicted the Russian constitution. This was particularly true in the republics, where 19 of 21 republics had adopted constitutions that contained provisions incompatible with the Russian constitution.

**Constitutionalism and the Law**

The re-emergence of a separate Russia out of the Soviet shell ranks as one of the greatest state building endeavours of the twentieth century. Born in crisis and the confusion attending the collapse of one of the greatest geopolitical units the world has ever known, the Russian state emerged with few immediate advantages. Its legal system enshrined a punitive and vindictive ethos, its system of government had to be built from scratch, and there appeared no way in which to devise a new constitution that could act as the rallying point of a new national consensus. The three key pillars of the state, the presidency, parliament and the judiciary, still did not pull in harness.  

While the wild convulsions of earlier years had passed and a sense of direction had been established, the journey proved a stormy one.

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State and government

The constitution established the foundations of the new polity, but the structure remained to be built. A constitutional system is a much broader concept than the constitution itself and reflects the ethical bases of society.\(^7\) It is quite possible to have a constitution but no constitutional order; or to have a constitutional order but no constitution; the aim in Russia today is to combine the two. The legal functions of a constitution are only among many, and this is particularly the case with this constitution, which sought to repudiate the communist political and philosophical legacy and to establish the basis of a new constitutional order.

Russia is only at the beginning of a constitutional process requiring the development of a whole system of laws and conventions. The adoption of the constitution was only the first act of a titanic process of legislative renewal based on a division between federal constitutional laws and routine federal laws. A vast programme of legislative activity awaited the new parliament, with the constitution itself alluding to 10 constitutional laws, 44 federal laws, 5 existing laws redeeming substantial changes to bring them into one line with the new constitution, together with 6 acts governing the activity of the Federal Assembly itself and 4 dealing with the work of the president, a total of 70 acts that would give legislative form to its general principles.

For the first time in Russian history, a constitution made a serious attempt to define and limit the state power. The final vestiges of the communist legacy were swept away as the new document promised economic liberalism and the democratic separation of powers. Yeltsin argued that the constitution was designed to lay down a 'firm, legal order' for a democratic state, marking an end to the 'dual power' between the presidency and the legislature.\(^8\) The constitution sought to create a 'democratic, federal, rule of law, state with a republican form of government' (art.1.1). The new version incorporated elements from the previous drafts, above all the section on human and civil rights, but significantly augmented presidential authority and limited the powers of the parliament and the

\(^7\) For an extended discussion of this issue, see Oleg Rumayantsev, Osnovy Konstitutsionnogo stroya Rossii (Moscow, Yurist, 1994).

\(^8\) Financial Times, 10 November 1993.
republics. The model of governance that emerges from the document is both pseudo-parliamentary and super presidential, while the government itself has the potential to become a relatively autonomous third centre of power.

**Law and the State**

The late Tsarist period was marked by an important debate by legal scholars and others over the concept of *pravovoe gosudarstvo* (a 'law-based state'). The Russian notion of this is derived from the German concept of the ‘rule of law’. As Donald D. Berry has noted, ‘the concept of Rechtsstaat is based on the positivist assumption that the state itself is the highest source of law’.\(^9\) Thus a *pravovoe gosudarstvo*, as Harold J. Berman put it, ‘is rule *by* law, but not rule *of* law'; the latter is sustained by the theory of natural law suggesting that there is a law higher than statutory law governing the normative acts of society.

The establishment of a Rechtsstaat is *limiting*, but the establishment of the rule of law is *expansive*.\(^10\) The ‘rule of law’ is a concept associated with the Anglo-Saxon common law tradition, whereas Russia is part of the Continental Roman law tradition: according to common law, individual rights are defended by the courts, whereas in the continental tradition they are enshrined in a constitution. Thus, to the Anglo-Saxon mind the registration of political parties and religious organisations might seem superfluous, since common law and the courts on the principle that ‘everything that is not forbidden is permitted’ protect them. The Continental system, however, relies on regulation to avoid conflict and to manage social affairs. The constitutional process in Russia today can therefore be seen as a dual revolution\(^11\): to achieve both a *pravovoe gosudarstvo* and to create a society governed by the rule of law to which the state itself is subordinated. It is this latter concept, based on the theory of natural law which has never taken roots in Russia but that was acknowledged in the 1993 constitution.

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\(^10\) Ibid.

For Russia the achievement of rule by law would be no mean achievement. The gulf between aspiration and achievement remains large, but certain tangible advances towards the goal have been achieved, notably the adoption of the constitution itself. The system moved beyond the nebulous concept of 'socialist legality' towards a law based state. The concept of law of the revived Russian constitutionalism is indebted to the debates of the late Soviet period. The aim here was above all to separate the Party from the state and to remake the state as an autonomous political and ordered entity. At the same time, the overwhelming powers of the state were to be limited by the establishment of legal safeguards for individual rights. Associated with the second project was the discourse of civil society, a concept that figured prominently in the draft version of the CPSU’s final programme and in early drafts of the new constitution. There remained, however, a tension between the attempt to reconstitute the state and at the same time to limit it.

The establishment of a Rechtsstaat in itself constitutes a revolution. It means judicial review of legislation and executive acts, a system of citizen’s rights, structures for the pluralistic interaction of groups, and in the post-communist context of Russia, the development of a market economy. Communists had always understood that the law was a special kind of normative system, and the truth of this judgment was now reflected in the comprehensive reorientation of the legal system based on a new set of values. Legal reform took place in the special conditions of the transition from a one-party system to a multi-party parliamentary democracy, accompanied by the transition from the command economy to the market. The social function of law played a prominent part in all the post-communist societies. Not only is law a method of exercising and controlling state power, establishing the rules for the conduct of power politics, but it bears a system of values enshrined in such principles as legal security, the freedom to own property, and the protection of rights.

Social Structure
In Russia democracy came before the development of a bourgeoisie, and as Barrington Moore long ago observed, 'no bourgeois, no democracy.' The existence of a substantial

middle class is no guarantee of democracy, as Germany discovered in the inter-war years, but to date there has been no liberal democracy without a capitalist social structure. A traumatised and property less society jeopardized the building of democracy in Russia, and the weakness of social organizations, like trade unions and professional bodies, undermined effective political institutions. While the concept of transition refers properly to political change, Russia entered a period of accelerated social transformation affecting all aspects of class and elite relations, the family and social groups. The marketization of social relations undermined not only the achievements, however rudimentary, of the Soviet welfare state, but also challenged the whole network of existing social relations and cultural values.

While the events of August 1991 were dramatic and came to symbolise the fall of the old regime, the Soviet system had already undergone a long decay since at least the death of Stalin in 1953. The old authority system underwent significant evolution, and at the same time an embryonic new pattern of social relations began to emerge. The protracted degeneration of the old system itself became a factor in shaping the new order as features like patronage networks corruption and clientilism became endemic. The long transition allowed morbid systems of social responsibility to become firmly lodged in the body social as a pseudo-civil society regulated not by law but by the anti-law of customary practices took shape. The emergence of powerful criminal networks in the lieu of decaying Party authority, the evolution of the political nomenklatura appointments mechanism into a corrupt social phenomenon, the development of a shadow economy preyed on by protection rackets and living off the inefficiencies of the state economy, all this and more shaped the social subject of the transition.

**Gender Politics**

The functionalist analysis of women in three roles, as workers, mothers and homemakers, is standard when studying Soviet society. The Bolsheviks considered that gender inequality would be overcome if women were absorbed into social production, children's upbringing and daily life socialised, and a socialist camaraderie established in relations

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between the sexes. In the early 1930s the separate women’s departments in the party were closed and the ‘women’s question’ was declared resolved. The ‘thaw’ of the 1950s and 1960s revealed that the question was far from over, and later analysis revealed that on all the main indices of social achievement and psychological freedom women were at a disadvantage compared to men. The participation rate of women in paid employment was one of the highest in the world at around 90 per cent. In the period of extensive economic growth the proportion of women in the Russian workforce peaked in the 1970s at 53 per cent, but as the economy began to shift to a more intensive form of development the proportion fell to 52 per cent in 1987 and by 1990 was down to 48 per cent and will no doubt continue to fall as economic reform leads to high female unemployment.

In the 1990s, women in Russia find their automatic ‘right’ to paid work and to fixed percentages of political representation taken away. They have seen their savings lose value, their pensions become grossly inadequate and the prices of certain products turn unaffordable. Childcare has become more problematic as kindergartens were closed. Many women also regret the advent of medical insurance and the introduction of fees for abortions. They see the rights of the past either taken away, currently being eroded or under threat in the future. Some new political opportunities are open to women in this unstable and insecure economic setting. Yet top political positions are still, in the main, notwithstanding some clear exceptions. Even when outstanding women do make it to highly responsible posts, their tenure is insecure.

Women also often hesitate to put themselves forward. In the presidential campaign of 1996, only Democratic Russia’s Galina Starovoitova made a serious attempt to run. Many women politicians believe that traditional ideas in Russian society would make it very hard for any women to be elected President. As it turned out, not even Starovoitova was able to get as far as the ballot paper. The Central Electoral Commission declared in April that among the necessary one million signatures that all candidates had to collect in order

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14 For a recent analysis of the question, see E.B. Gruzdeva and E.S. Cheritikhina, ‘Polozhenie zhenschiny v obshchestve: konflikty rolei’ (Moscow, Moskovskii rabochii, 1990), pp. 147-67.

to qualify as candidates, some of Starovoitova's were falsified, and her appeal against this decision was subsequently rejected.

In the twenty-first century, the Russian Federation remains an ideologically divided society in which nationalist sentiments run deep. In this context, it is not surprising that attitudes towards women in the public domain are varied. While some reformers who emulate Western patterns are learning that 'gender' is a concept and that 'civilisation' is supposed to include sexual equality in practice as well as in rhetoric, more traditional opponents of reform contend that women rightfully belong to home.

Yet whatever be the changing attitudes of the population, women who are politically active, whether in conventional political arena or in social organizations, will persist in being so. Political parties are now concerned to include more women in order to win voters and the number of women's organisations continues to increase. Moreover, there is a growing sensitivity in Russia to what 'discrimination' against women entails and a determination in some circles to combat it. While women have indeed lost the job security of the former USSR and its modest state benefits, they have gained a political space in which to express their views and fight for them.

**Regional Elites**

The end of communism created an environment of free-for-all in regional and local politics. The main impact of the decline of central political control has been the entrenchment and an increased power of regional elites. There has also been a greater differentiation of regional politics. In some cases, a new post-Soviet elite has come to power. More typically, however, the same officials who comprised the old communist nomenklatura remain dominant in Russia's republics and regions.

There is disagreement among experts on regional politics in Russia over whether regionalism will hinder or facilitate reform. According to one view, which is optimistic in nature, the logic of the reform process will encourage or even force regional elites to alter their behaviour in ways that will advance political and economic change. They argue that
elections, privatisation, liberalisation of trade, financial reforms and other institutional changes mandated from above will cause local elites to seek to respond with complementary policies that are simultaneously in their own interest, and which will allow their regions to compete successfully in the emerging Russian market. Regionalism, in this view, is something to be encouraged, resulting in an effective federal system and decentralisation that allows local governments to respond flexibly to local conditions.

A more pessimistic assessment is that local elites, despite a handful of important exceptions, have sought to take advantage of reforms in pursuit of their own interests in ways that distort and undermine democratisation and marketisation. One obvious manifestation of this is rampant corruption by regional, political and economic elites. Beyond this, however, the institutions being established at the regional level are most likely to result in a stultifying combination of autocratic politics and cartel or monopoly economics. It is also relatively easy for local leaders to accomplish this with little popular opposition. In most regions, support for democratic principles and a market economy is shallow and the old regional elites have little trouble winning power even in competitive elections.

**Role of Regional Elites**

The regional leaders who, on the whole, had the greatest autonomy from Moscow were the presidents of Russia's twenty-one republics. President Yeltsin did not appoint them to their posts, even formally. Most of the presidents were able to legitimise their standing through popular election as early as 1991, well before Yeltsin permitted governors to run for election. In several republics, such as Tatarstan and Inguestia, the leaders in power so dominated the political life of their regions that they won landslide victories in elections that echoed pre-perestroika 'the party-and-people-are-one elections'.\(^{16}\) As a group, the republic presidents were more likely than governors to have been part of the regional communist nomenklatura prior to the break up of the Soviet Union. In several republics, political changes brought to power new *perestroika* elites. Compared to Russia's

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\(^{16}\)Richard Sakwa, n.2, p. 315.
governors, the greater control over local affairs by republic presidents is one of degree. By virtue of being able to organise elections at a relatively early stage, republic presidents have, as a group, been much more secure in their positions than governors. Most won elections, in some cases twice, with a commanding majority of voters or unopposed.

The power of appointments and dismissal gave Yeltsin both leverage over local politics and a potential base of political support in his effort to consolidate power at the centre.\textsuperscript{17} The latter turned out to be more important than the former. Yeltsin rarely used his power to appoint to stimulate reform in the regions, nor did he use the power to dismiss to remove opponents of reform. The complaints of regional politics made it difficult for Yeltsin to simply designate a loyal supporter to the governorships.

The basic issues of politics in the regions vary greatly, in the past because of the wide variation in their socio-economic conditions. Regions differ in the extent to which they depend on agriculture or a particular industrial sector. This diversity is justification enough for significant decentralisation of policy making.

There were significant reasons to give additional power to regional elites. Yeltsin needed their support in his political struggles in the centre. Yeltsin's ability to appoint and remove regional officials provided a political check against governors who stayed too far from his policies. In practice, however, regional leaders were able to use their considerable powers for their own ends. With the advent of elections, control over the political situation in the regions became more tenuous.

The cumulative result of these events has made a mockery of the goal of democratisation in the provinces. This is not to say, however, that the current balance of power to the benefit of executive power in the republics and regions will be permanent. A defining issue in the Russian politics over the coming years will be efforts by the centre to re-establish some control over the politics of the regions. One method that may be applied to

\textsuperscript{17} Ibid.
this end is a gradual push toward the development of democratic checks—including the development of truly national political parties, more effective legislative institutions both at the regional level and lower, and support for democratically elected mayors who may be more interested in pursuing reforms than are governors and presidents.

The Organisation of Power

Despite the disbandment of the party following the coup, former communists remained in positions of authority at the local level. Communist officials, indeed, who found themselves unemployed often, took up important posts in local state administration. It is for this reason that Yeltsin sought to ensure the continuation of reform in the localities by imposing a system of executive control over local authorities. Already in May 1991 Yeltsin had ordered local deputies to monitor the progress of land reform in their constituencies, a programme where local bureaucracy was the most obstructive. Later, the Russian Parliament established the post of head of administration at the regional level to lead the corresponding executive authorities as the successor to Soviet executive committees. From then onwards, the President was granted yet more powers to monitor the activity of Soviets.

Following the coup Yeltsin sought to consolidate executive power by appointing presidential envoys to the localities. The rationale behind this act was to ensure the local legislation was compatible with national laws and could recommend the dismissal of local officials who undermined national policy. They were to analyse the situation in the localities and to report back to the President. Envoys could impose presidential decrees directly, avoiding the local bureaucracies. Rather contradictorily, they were enjoined not to interfere in local administration covering the given territory. Separate instructions limited the powers of the presidential envoys in the national republics of Russia. The state inspector was to oversee the work of local executive bodies. Yeltsin hoped that the

18 Izvestiya, 1 November 1991.
22 The regulations governing the work of the state inspector were adopted on 24 September and published in Rossiiskie vesti, no. 21 (October 1991), p. 2.
presidential envoys would be able to work in harmony with local administrations while at
the same time relying on the support of local democratic movements to place pressure on
recalcitrant administrations. The aim was to introduce reforming elements from outside
and to establish a supervisory authority that could act as an autonomous presidential
vertical chain of authority. The vague formulation of their powers soon rendered them
largely ineffective and in any case the process of elite reconsolidation meant that many
came to terms with the existing establishments. The age of ideological warfare in
Russia's regions was a remarkably short one. At the same time Yeltsin tried to ensure
effective local governance by appointing one official in each region, as the head of
administration, referred to as governor at the regional level. The governors were not the
existing heads of oblasts or krai executive committees, leading to numerous conflicts
where the local Soviets sought to have their own chairperson appointed governor. Several
governors, moreover, were former party officials, leading to vigorous condemnation by
the democrats. Regional governors in turn appointed heads of administration in cities
and districts, which displaced the old Soviet executive committees headed by
chairpersons who hitherto had been the senior executive figures in the district.

Regional government remains part of the state system, whereas lower-level
administration was separated from the state. The struggle between executive and
legislative authority at the centre was reflected locally. Moreover, the federal treaty also
acted as a normative act specifying the powers of the oblasts and the cities of Moscow
and St. Petersburg. These acts did little to resolve the crisis of local power, and the local
Soviets and the administrations appeared to operate according to two sets of laws: those
of the Russian Supreme Soviet for the soviets; and presidential decrees and executive
orders for the mayors and administrative bodies. It was not clear as to whom mayors
were subordinate, the Russian president (through the presidential envoys), parliament or
the local soviet. A system of dual if not triple power emerged. The conflicts were

23 See, for example, James Hughes, 'Regionalism in Russia: The Rise and Fall of the Siberian Agreement', 
24 See Vladimir Kisilev, 'Yeltsin Appoints Administration Heads Across Russia', Moscow News, no. 36 (8
26 Vedomostii Mosso veta, no. 3 (1992), p. 92.
particularly bitter in Moscow, but while tensions between mayors and soviets were endemic it was possible to establish an effective working relationship.27

Regional governments remained marked by chaos and corruption. The presidential control administration sought to monitor the work of administrations both ideologically, to ensure loyalty to the president, and technically, above all to ensure probity and financial order. According to some estimates, three-quarters of the thousand-odd organised criminal groups were protected by state or managerial structures, police bodies included.28 The prevailing criminalisation of provinces squeezed out honest entrepreneurs, and the mafia even began to prepare candidates for elections. The police could do little, arguing that current laws restricted them, while the presidential representatives proved an inadequate mechanism to prevent corruption and to ensure effective local administration.

**Regional Politics and Reform**

Decentralisation and rationalisation appeared to be the answer to the numerous problems of the localities, yet the authorities in Moscow had spent decades combating the sin of localism and this tradition would not disappear overnight.29 The destruction of the administrative-command system led to the weakening of central authority and the *de facto* decentralisation of power. Regions sought to take advantage of Moscow's weakened grip to gain control of their own economic and political resources, yet this on its own was no substitute for a constitutional redivision of powers.

The first years of independent Russian government saw a marked differentiation between regions in the speed and scale of reform, but this only exacerbated existing differences. Despite the Soviet regime's commitment to regional equalisation, there were marked disparities in the level of economic development and standards of living, with the national areas tending to be at the bottom of both scales. The traditional agrarian regions tended to lag behind in reform, whereas the areas approaching post-industrial types of

27 A. N. Belyaev, chairman of the St Petersburg soviet, in *Vedomosti Mossoveta*, no. 4-5 (1992), pp. 131-5.
development raced ahead. The development of a genuine capitalist national market would encourage a type of unity from below, whereas the regions, which pursued a slow model of economic reform tended towards economic autarchy and often political separatism; by mid-1992 twenty-three regions had placed some form of customs regime on the movement of goods.

To many it appeared that while the coup may have failed in the centre, it was triumphant in the regions and localities. This certainly was the view propounded by the president, hence the numerous attempts to subordinate local executives to central institutions and to replace the former leadership. Above all, the establishment of presidential envoys was designed to ensure local compliance with the central policies. This embryonic post-consular system alarmed Yeltsin's erstwhile 'democratic' supporters, if only because he did not appoint more of them to these positions. In October 1993 the powers of the presidential envoys were reduced and those of heads of administration increased.

Numerous organisations were created to bring regions and towns together, with a wave of regional associations being established from late 1990, mostly following the borders of the corresponding economic region. Russia has eleven economic regions, each closely tied to the national administrative system. In his presidential campaign of June 1991 Yeltsin had argued for the division of the country into some 8 to 10 large economic regions, and the idea had been incorporated into the October 1991 draft constitution in the form of zemli.

The Siberian Association was established on 2 October 1990 and brought together all nineteen administrative regions of East and West Siberia. It was the most effective in integrating regional and nationality politics. The borders of some of the associations changed in order to correspond more closely with the local definition of the region rather

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31 Alexandar Salmin, Nezavisimaya gazeta, 10 December 1992, p. 5
32 Democratic Russia’s objections are voiced in ‘My podderzhivaem Eltsyna uslovno’ Izvestiya, 7 October 1991, p. 2.
33 From the west to the east the economic regions are: Northern, Northern-Western, the Kaliningrad enclave in effect part of the Northern-Western region but separated physically from Russia.
than the economic definition taken from the Soviet state planners. The most effective associations were those most distant from the center—the Far East, Siberia and the Urals—where regionalism was infused with the separatist spirit that had already been evident at the time of Russia’s earlier disintegration during the civil war.

Centrifugal tendencies thus affected not only the titular nationality areas, but also some of the ethnically Russian parts of the federation where there were increasingly strident demands for economic and even political, autonomy. The most important regional movement affected Siberia and the Russian Far East; Siberian deputies came together in a congress in Krasnoyarsk and some went so far as to call for separation.

The traditional Soviet system of planning had given priority to vertically integrated branches of the economy run by ministries, and had paid very little attention to questions of development. In Siberia the emphasis had been on extractive industries and energy supplies, at the expense of developing a local manufacturing base, infrastructural development or food supplies. In exchange for the ‘export’ of industrial raw materials, either to the rest of the country for processing or abroad for hard currency. Siberia had to import most of its food, machinery and consumer goods. In the long-running “East-West” debate the advantages of developing regional industrial complexes in Siberia were contrasted to the availability of skilled workforces, good transport and close proximity to markets in European USSR, and indeed the bulk of investments went to republics like Ukraine and Belarus. The collapse of the centralized supply system threw Siberia’s dependency into sharp relief, and various regions were forced to resort to barter, such as coal for machinery between Moscow and Cameroon.

The distinction between the two parts of Siberia (East and West) and the Russian Far East became stronger as their regional identities given free rein and the reform processes followed different trajectories. Regional associations sought to promote the economic development of their regions, but more overtly political aims soon came to the fore. 34 The

Federal Treaty addressed some of their concerns for greater local autonomy, but the pressure to transform regionalism into separatism remained strong. The new economic relationship between the centre and the regions remained contested, but from Moscow’s perspective Siberia and Far East were far too important for Russia’s economy as a whole to be allowed to go their own way.

In most parts of the country initiatives by the local authorities to achieve economic reform had not come to much and instead the main initiatives came spontaneously from entrepreneurs from below and Yeltsin’s government from above. However, some success had been achieved by the governor in Volgograd oblast, Ivan Shabunin, while in Ryazan the leader of the city of soviet, Valerii Ryumin, tried to implement radical economic reforms.

No effective separation of powers had taken place, and instead chronic confusion reigned. The transition from the administrative-command system to a functioning democracy was hampered by the postponement of elections, the weakness of the judiciary and above all by confusion in the governmental system itself and the weakness of implementation mechanism. Old patronage networks continued to operate, while there was a great shortage of competent officials to operate in the new conditions. The social basis for a democratic regime appeared to be lacking, with few lawyers, a minuscule business class, and an intelligentsia devastated by Stalinist mass murder and Brezhnevite persecution, and with social relations corrupted by the pervasive criminalisation. The attempt to impose a democratic system by undemocratic methods in the absence of democrats appeared indeed as yet another utopian project dreamed up in Moscow. In most of Russia’s regions there had been minimal mobilisation, apart from a brief flurry of activity at the time of the coup, and the majority of the population was apathetic. The regions of Russia were characterised not by the rebirth of politics but by political stagnation.

The Regions in Russian Politics

The dissolution of the Russian Congress in autumn 1993 opened a new phase in regional politics. The December 1993 elections revealed the political geography of Russia to be fractured along several axes, with divisions between metropolitan areas and the countryside, and between the north/ northwest and the south/southwest. The main base of communist support was in the Central Black Earth region to the southwest of Moscow, whereas the LDPR’s strongest support was in the new Russian border areas (especially in the south) and those in proximity to national conflicts. While Moscow and St. Petersburg are distinguished by the greatest concentration of people who have benefited from the reforms and hence supported democratic platforms, the southwestern part of the country, including regions like Voronezh with a strong concentration of military and engineering plants, was closer to Zhirinovskii and the communists. Voters above the 55th parallel (on which Moscow stands) on the whole supported reformist positions, while those below tended to support the repackaged nomenklatura elites.

The federal treaty of 31 March 1992 sought to make all the subjects of the federation, whether they are republics or regions, equal in juridical sense. Yet, the new republics of Russia were granted more of the attributes of statehood and more economic powers than the regions.37 The 1993 Constitution proclaimed the political equality of Russia’s regions and republics, and yet continuing differences in prerogatives provoked a new round of conflicts. Although both documents stressed that Russia’s eighty-nine federal components were equal, in practice some were more equal than others. The twenty-one republics appeared to be at the top of the pyramid, followed by krais, oblasts and autonomous oblasts, with the autonomous okrugs at the bottom. In contrast to the republics, the powers of the remaining sixty-eight subjects of the federation appeared residual, sharing certain listed powers and enjoying other unspecified prerogatives not conflicting with the national state, but there was no mention of any detailed regulatory or financial powers that they could exercise independently. Republics can elect presidents and adopt constitutions, while regions often had governors imposed by Moscow and

37 Abdulatipov insisted that the Federal Treaty gave the regions extensive economic and other powers that were not used by them, Gubernatorskie novosti, no. 9 (March 1993), p. 1.
adopted 'charters'. Regions sought to narrow the difference, while republics fought jealously to preserve the differential.38

The centre concluded treaties with some of the republics (Tatarastan, Bashkortostan) and some regions, but inequalities remained in the distribution of federal budget revenues. At the same time, many regional leaders complained that the centre failed to respect the provisions of the constitution demarcating the responsibilities of the centre and the localities.39 The centre, apparently, placed obstacles in the way of regions adopted their charters, either arguing that they failed to conform to the constitution or 'losing' it in the Kremlin's corridors.

The federal law demarcating the division of powers and property between the federal authorities was the subject of fierce conflicts between the supporters of federalism and the supporters of unitarism. Henceforth, Russia's regional policy should be based on the maximum decentralisation of power and that the historical legacy of unitarism should be abandoned. The federal authorities, however, insisted on the supremacy of the constitution and federal laws throughout Russia's territory and the impermissibility for members to change their status. Afraid of centrifugal pressures, the centre moves sharply away from Yeltsin's old slogan of 'take as much sovereignty as you swallow' towards a more classical centralised policy.

The balance of power between the regional dumas and governors remained unclear. The decree of 22 October 1993 gave the new regional assemblies the right to pass laws; something denied to the old regional Soviets. At the same time, however, the decree gave local governors, many of whom were appointed by Yeltsin, a great deal of authority over the new regional parliaments. Local laws were not to contradict federal laws, presidential decrees or governmental instructions. The localities are allowed a wide degree of discretion in their electoral systems, and the republican leaderships in particular take full

advantage of this to ensure complaint assemblies. Local administrative officials can also run in local elections and with their greater resources to overshadow parties; similarly, managers of the local enterprises and farms dominate local assemblies. Local elites remain in power. Although two-fifths of deputies now have to be full time legislators, the centre only fitfully enforces this rule. As decentralisation on its own does not lead to democracy and regional democracy remains flawed.

There remains a tension between the processes of 'republicanisation', the attempts by national areas to raise their status and achieve sovereignty, and 'regionalism', the attempts of one or more territories to gain greater autonomy within the Russian federation. Some regions converted themselves into republics. But, one of the major grievances was the difference in the share of taxes allowed to be kept by the region in comparison with neighbouring republics. Regional aspirations for greater autonomy were limited in most cases by financial dependence on Moscow, although some budgetary decentralisation was achieved, with a marked growth in the proportion of income and expenditure passing through local budgets. Regional budgets cover a growing percentage of expenditure on health, education, culture, arts and so on.\(^{40}\)

The end of the democratic insurgency in August 1991 had been accompanied by a moratorium on elections in the regions and localities. The regional assembly elections at last extended the democratic revolution to the mass of the people in the localities. Democracy, however, led to the result that the reformers had long feared, namely the consolidation of the rejectionist forces in the regions.

The government was often accused of not having a regional policy. In certain respects, this worked to the good and allowed a rich variety of different forms of regional politics to emerge; the attempt to impose a single regional policy might well have strengthened centrifugal forces. While arbitrary and incompatible tax regimes, for instance, were a burden, the relatively laissez-faire regional policy allowed regional elites to adapt to local circumstances.

Political Parties and Electoral Politics

Political parties have a fundamental role to play in the development of modern representative democracy.\(^\text{41}\) They connect civil and political society, advance the perceived interests of individuals, groups and social strata while aiming consciously to develop these constituencies, and provide a link between civil society and the state, espousing the claims of the one and enforcing the rules of the other.\(^\text{42}\) A multi-party system is an essential part of a democratic system. Free elections are a criterion of democracy. A democratic system can be characterised by the kind of space that it provides for the functioning of a multi-party system and the role political parties play in political change and governance.

Russia’s transition from communism to democracy is proving both exhilarating and debilitating moments, inspiring hope and inducing cynicism and despair. For the first time, the population is consciously attempting to build a Western-style pluralist, democratic system. It is a multi-faceted endeavour, in which the legacy of the past weighs heavily, notably in the field of political organisation. Russia has never possessed a functioning multi-party democracy, so that task is a pioneering one.

The space for multi-party system has been provided for in the Russian federation. It was believed that democratic institutions would emerge out of the Soviet dissolution. The experiences of the last few years have repeatedly shown that these institutions require careful nurturing in the absence of which they tend to get distorted and become mere shadows of their real selves.

The Legacy of the CPSU

Most Russian citizens have grown with a form of politics in which opportunities for significant political participation were severely circumscribed if they existed at all. A single party dominated the system from soon after the 1971 revolution: the Communist Party of the Soviet Union (CPSU)—its title from 1952. Its all-pervasive influence was

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such that the very system was identified as a ‘partocracy’.\(^{43}\) Internally, the party was managed according to the so-called ‘democratic centralism’, said to combine freedom of discussion, until the point when a decision was taken, with effective executive action as the decision became binding on all members at and below the hierarchical level at which it was taken. In practice, stern discipline was the rule, and such was the centre’s power over members’ careers that the opportunities for real discussion and debate were severely curtailed. The banning of ‘fractions’ at the 10th Party Congress institutionalised the restrictions on internal freedom, and the use of such terminology as ‘anti-party’—referring to the group of leaders who opposed Nikita Khrushchev in 1957—reinforced the insistence upon ‘monolithic unity’ written into the party’s rule book.

The Gorbachev reforms questioned the command and control political system that had taken roots in the Soviet Union. The policies of glasnost advocated that political movements and informal groups be allowed to exist even when they challenged the CPSU. The motive for this was to create a non-party support base for perestroika, in the face of resistance from powerful groups within the CPSU. The Gorbachev regime expected that the social base of the CPSU would expand and new political parties would gradually emerge. The consequences of the reform were different than the expectations. Some short-lived political parties and movements did emerge. But the real challenge came from within the CPSU itself on regional/republican lines. Several of the republics including the Russian Federation started moving away from the Soviet Union.

During this period, several movements and political groups emerged in the Soviet Union as a consequence of glasnost and perestroika policies. These groups had different trajectories and served a variety of purposes. Several popular democratic fronts formed in Russia with political and social agendas but did not structure themselves like political parties. These fronts did not co-ordinate their work with their Republican counterparts.\(^{44}\)


Development of Political Parties and Movements

Yeltsin as the leader of a movement for democracy retained his Communist Party membership until almost 1991. On leaving the party, he preferred to have an unstructured alliance with the new democratic political formations. He did not initiate or promote any political party. He worked with the deputies in the Russian Supreme Soviet who supported his political moves and his opposition to the Soviet structures. Yeltsin fought and won the 1991 presidential elections on no party platform. The Movement for Democratic Reform supported him without establishing any clear party linkage. He preferred to act on his, appealing to the public directly, moving away from any organized political formations. Yeltsin’s attitude towards political parties had an impact on the formation of parties in Russia. Parties were viewed with suspicion. Individual leadership backed by lobbies came to be a method of political organisation.

It was in these circumstances that the coup against Gorbachev was organised in August 1991, and a series of events led to the dissolution of the Soviet Union. The Russian Federation that emerged after dissolution was symbolised by the leadership of Boris Yeltsin. The Communist Party of the Soviet Union was discredited. There were few other political parties. Soviet structures like the Congress of peoples deputies continued to survive in the new regime since no immediate elections were scheduled.

Political parties or formations that could provide an alternative to the CPSU did not take roots in the Soviet Union despite the reforms. The reasons for this included the domination of the CPSU in the Soviet system. The control by the CPSU of economic, political and spiritual life of people in every Soviet Republic consolidated the Soviet Union into one unified system. The lack of communication between people of different republics and the impossibility of developing any all-union political organisation also contributed to the difficulty of creating a political party equal to the status of the CPSU. Long years of monolithic political culture and a lack of civil society had curbed the personalities, loosely formed and unstable alliances and factions within the CPSU. Yeltsin’s association with any of the new democratic formations did not help the cause of centrist or pro-reform parties. The democratic movement remained weak and
unstructured. They supported non-democratic actions like the ban on the CPSU. Yeltsin did not promote the growth of the democratic parties. When the Congress of Peoples was to participate in the drafting of the economic reform programmes, he did not invite any of the democratic parties to participate in the drafting of the economic reform programmes. He did not involve the parties in the drafting of the constitution. He promoted individuals who were loyal to him, thus bypassing democratic structures during their critical period of formation. The Russian political elite did not pay sufficient attention to party formation or political mobilisation.

**A Plethora of Parties**

Given the centrality of political parties to democracy, and also the absence of alternatives to the Communist Party for seven decades, the initial response to the lifting of the Communist Party’s monopoly was, not surprisingly, the emergence of a plethora of political parties, which sprang up, in the Russian expression, ‘like mushrooms after rain’. As early as 1990, the CPSU was assessing the new parties’ progress, as they registered themselves and began the arduous task of organising, recruiting members, adopting constitutions, devising membership rules, seeking funds and awaiting a chance to test their strength at elections. Many types of parties emerged, some clearly frivolous others were so tiny that they were referred to as ‘divan’ and ‘sofa’ parties, whose entire membership could sit together on a divan. Coalition politics was already on cards, as the CPSU looked for potential allies among new rivals. By the time of the attempted coup of August 1991, scores of parties and party-like institutions existed, representing a broad spectrum of interests and opinions in this complex and relatively sophisticated modern society.

The mere presence of parties does not constitute a recognisable party system, however that implies relative stability in inter-party relationships, allowing a measure of predictability concerning the use of power and permitting the electorate to make choices with a broad understanding of the likely consequences - in essence, the existence of a

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system allows voters to know what they are voting for. In the former Soviet Russia, many parties were little more than the followings of particular politicians who felt their own political chances would be enhanced if they could present themselves as party leaders.

From relatively early on, analysts attempted to classify parties along ideological lines. One analyst identified three broad blocs: the ‘conservative-dogmatic’ group, including various traditional communist parties; a democratic socialist bloc, which included reform communists plus other leftist and centrist parties, and a group of liberal and democratic parties that was supported by intelligentsia and looked to the West for inspiration.\(^{46}\) Already, though, those groups competed with a neo-Slavophile strand, embracing monarchist, anti-Semitic and other Russian nationalist organisations, some of which have become an extremely significant political force.

In the early 1990s, however, these parties made relatively little political impact, since there were few opportunities for them to play any significant role. The institutions of the communist era—the Congress of Peoples’ Deputies, the Supreme Soviet and the Presidency—seemed well entrenched and could constitutionally remain in office until the middle of the decade. In such political circumstances, accompanied by dire economic conditions for most of the population, it was an uphill struggle setting up an organisation, recruiting members, attracting subscriptions and institutional funds, devising programmes, identifying leaders and projecting an image to attract the voters of the populace in elections some time away—so remote, indeed, that the economic and political institutional setting might look quite different, and the precise problems faced by the nation when elections finally came were unpredictable.

**Political Parties in the Russian Federation**

In the early years of the foundation of the Russian Federation, political movements and parties initiated a process of reorganisation of their ideology and institutional structures. The reformation of all the political parties did not prove easy. Yeltsin, firmly at the helm of affairs, did not establish a linkage with any political party. The centrist and pro-reform

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\(^{46}\) Slavin, Boris and Davydov, Valentin (1991) ‘Stanovlenie mnogopartiinosti’, *Partiinaya Zhizn*, no. 18 (September), pp. 6-16.
movement formed loose structures and quickly split up or disintegrated to form new equations. The CPSU, discredited and split, faced charges from the Constitutional Commission. Yeltsin had the CPSU banned, its party offices and assets confiscated.

The right-wing parties were also scattered. The National Salvation Front that openly advocated a hate campaign against non-Slavic groups in Russia was banned, but received the right of political existence from the Constitutional Court in March 1993. This front however, did not garner much public support. Most of the right wing support went to the Liberal Democratic Party of Russia (LDPR) represented by Vladimir Zhirinovsky. An opinion poll conducted in July 1992 in Nezavisimaya Gazeta, revealed that only 5% supported the Communists. 50% of those polled supported experienced practical people, industrialists and others, regardless of political affiliation. This reflected the distrust of political parties and also the political parties’ lack of organisation.

Like elsewhere, Political parties in Russia are divided along ideological and organizational lines. The accelerated process of economic reform and political change in Russia fractionalised the nascent civil society. This resulted in the emergence of a wide variety of political fronts and parties, the communists and the right-wing nationalist parties.

Finally, Russia’s party system is still at the early stage of development—as, of course, is the nation’s experience of democracy. The establishment of democratic institutions, practices and culture took several generations in the West, and, as has been observed, 'there is no reason to believe that what took decades in the West can be accomplished in a matter of years in Russia'—or even that it will be accomplished at all. Nevertheless, Russia is attempting to establish such a system in a world in which several varieties of functioning democracy already exist. Global communications and rising education levels in Russia offer the politically active unparalleled opportunities to study, emulate and

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adapt tested practices from elsewhere as their society strives to devise its own relationship between those who rule and those who are bound by their decisions.

Electoral Politics
In the post-communist period, it has become accepted among the Russian political elite that a popular vote is the means by which leaders and representative assemblies should be chosen. Between 1992 and the end of 1996 there were two multi-party parliamentary elections, both of which led to important policy changes, although not to changes of government. There were two national referendums, and elections for legislatures and chief executives in most of Russia's 89 republics and regions. In the Presidential election of the summer of 1996, the Russian people were able to choose their leader by popular election for the first time. Elections played an increasingly important role in the political process, and so understanding of the post-communist electoral process and the political behaviour of the Russian electorate have become urgent tasks.

Despite flaws in their conduct, elections have nevertheless played an important role in the development of Russian democracy. Unlike most other post-communist countries, relatively free elections were held in Russia some two years before the fall of communism. This gave rise to a peculiar amalgamation of the structures and elites of the old regime with a novel legitimacy derived from their partial adaptation to democratic electoral politics. This hybrid system⁴⁹, in which change was led largely from within the system itself, marginalised the democratic insurgency and helped insulate the regime from the usual effects of electoral politics.

Electoral Procedure
The electoral procedure for the Federal Assembly is not detailed in the Russian Constitution. This is because of the disputes on the methods of elections that could not be resolved during the drafting of the constitution. The electoral procedure is outlined in separate documents after an agreement between the state bodies. The method of election to the Federal Council was resolved after a long dispute between the centre and the

regions and an agreement was signed in December 1995. The electoral system is a mixed one that combines proportional representation (PR) and direct elections. The Russian Federal Assembly electoral procedure lays down that election for the 450 members Duma will be held on the basis of two lists. 225 deputies are directly elected through single-seat electoral districts. The rest of the 225 deputies are elected on the basis of proportional representation through federation-wide electoral district based on the party lists. A party to be eligible for election has to produce 100,000 signatures of citizens eligible for voting. A 5% barrier was imposed to prevent the proliferation on small parties. The Federal Council consists of governors or chief administrators and the heads of local administration from each of the 89 regions of the Russian Federation. A valid vote would require participation of 25% of the registered voters. Each voter casts 2 votes, one for the directly elected single member constituency candidate and one for the party list.

It has been argued that the proportional representation system has had contradictory effects in Russia and has led to the proliferation of parties. The 5% barrier has failed to deter the proliferation of parties. Unlike Western democracies that traditionally developed two-party systems, Russia has developed a plural system of multiple parties. However, it is not PR that is responsible for a multi-party system. The emergence of the multi-party system is a consequence of Russia's plural traditions, its evolving political culture and the complex nature of its transition and the problems that it has brought.

**Electoral Dynamics, 1993-96**

The period since the collapse of communism was a painful one for Russian society. Moves to create a market economy adversely affected the living standards of the majority of the population. Unlike the electorates in many industrial countries, the Russian electorate was not dominated by the comfortably well off, but by the poor. However, the moves towards capitalism had not hurt everyone. Around one in ten Russians had been able to consolidate their economic position. Many of these had taken advantage of the opportunities opened by mass privatisation to become the owners of the valuable assets at

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bargain prices. Others owed their new wealth to illegal activities. Indeed in the absence of a legal framework to regulate the market economy, it was difficult to get rich by honest means.

In the political sphere, there was concern that the Russian state had scarcely reformed itself since the Communist period. Accusations about official corruption, secrecy, lack of accountability and continuing abuse of official privileges remained. Survey evidence suggested people felt that the state had become less responsive and more unaccountable than ever, and that they had less influence over politics than before perestroika.

Another major issue was the collapse of the Soviet Union. Many Russians failed to distinguish between the Russian federation and other parts of the former Soviet Union where they lived. The collapse of empire also related to the loss of superpower status. Again the feeling that Russia ought to remain a superpower at par with the United States remained widespread.

All this is the background against which the electoral battles of the post-communist period must be evaluated. When analysing the results of the parliamentary elections of 1993 and 1995 one must also remember that these were elections to a relatively unimportant institution. The new State Dumas would have a representative function, but the extensive powers given to the president and government under the 1993 Constitution meant that it would be able to exert only limited influence over the directions of public policy.

**Electoral Participation**

Russian electoral participation has taken on characteristics, which are similar to those of other democracies. The highest levels of turnout was for the 1991 and 1996 presidential elections, 75 per cent and 69 respectively, where Russians were choosing their leaders. Less important parliamentary elections saw turnouts of 54 per cent and 64 per cent, while the turnout for elections of governors and legislatures in most regions from 1993 to 1996 was usually between one in three and one-half of the electorate.
Election results showed lower turnouts in urban areas, where left and right opposition tended to be stronger. However, this could in part be explained by the fact that lists eligible voters were inclined to be less accurate in big cities. During the 1996 presidential election the Yeltsin campaign team, concerned about the tendency of those groups most likely to support the president not to take part, developed specific strategies to encourage them to vote. For instance, an elaborate effort, enlisting the support of various rock-stars and television personalities was conducted to persuade young people, more alienated from politics, that their vote mattered.

The Social Basis of Voting

It appears from the poll evidence that from 1993 to 1995, under one in four of those who voted in both the Duma elections cast their vote for the same party twice. Other evidence suggests that electoral volatility is more than twice as high as in post-Communist Central Europe, and six times as high as in contemporary Western European democracies. Because parties, with the exception of the Communist Party, are so new, long-standing identifications have not had a chance to form. However, this does not mean that no patterns are identifiable in the voting behaviour of the Russian electorate. Empirical evidence suggests that in the 1993 and 1995 elections, there were elements of continuity in the behaviour of various groups, although the nature of the electorate of Russia’s most successful parties has changed somewhat over two elections.

The communist successor party, the Communist Party of the Russian Federation (CPRF), has done a great deal better among elderly Russians than among the young, among workers rather than managers or professionals, and among the less well off. In 1995, the relative failure of its counterpart, the Agrarian Party of Russia (APR), meant that the CPRF also achieved a relatively high level of support in rural Russia. The support for the extreme Nationalist Liberal Democratic Party of Russia and its leader, Vladimir Zhirinovsky, has similar to that of the CPRF, been concentrated outside the largest cities, among industrial and agricultural workers, and among those with fewer years. The Communists are younger, and more likely to be men than women.
Voters who supported the ‘Party of Power’, Russia’s choice in 1993 and ‘Our Home is Russia’ in 1995 had a very different profile from that of voters for the Communist and nationalist opposition. They were significantly wealthier and younger, had higher levels of education, and were likely to be engaged in employment with higher status, as a part of the State administration, or as an industrial manager or professional. In 1993 Russia’s choice did much better in big cities than rural areas, but ‘Our Home is Russia’ was able to repeat to both equally. Supporters of the main party of the democratic opposition had a somewhat similar profile to that of government supporters, in both 1993 and 1995. They were also mainly drawn from the urban population, and tended to be professionals and those with higher levels of education. They were also relatively well off and comprised younger people, particularly students.

The reason behind the appeal of particular social groups is that the Communist Party on the issue of social welfare has helped it reached out to many groups. Economic change has affected particularly badly those dependent on state benefits, such as pensioners. Important components of its success are also its appeal to Russia’s national pride—wounded by the loss of empire and its hostility to the West. The Western consumerist values, their bearers, foreign companies, banks, government and international organisations have been the principal agents. These beliefs are also shared by many among nationalist politicians, which led to the genesis of the so-called ‘coalition of patriotic forces’ behind the CPRF’s leader Gennadii Zuyanov, in the 1996 presidential election.

Pro-government parties and the democratic opposition in 1993 and 1995 gained the highest level of support from those who have prospered as a result of the economic changes which have taken place, and from those whose higher level of education or urban residence might tend to inculcate a more cosmopolitan world view, distinctly less anti-Western and more willing to accept that Russia may have lessons to learn from the outside world. The success of the democratic opposition, rather than the party of power, among young people is perhaps related to the fact that the young tend to be less content
with the status quo than the old. The 1996 Presidential election saw some change from
the patterns observed in the previous parliamentary elections, in that Boris Yeltsin
succeeded in expanding his vote to sections of society, which had not previously been
willing to vote for pro-government parties. His appeal as the candidate of Russia’s future,
rather than candidate of the market economy, was clearly a more universal one.

Elections and Referendum of 12 December 1993
Only after the October 1993 events, Russia embarked on its first genuine multi-party
electoral campaign, but the circumstances were hardly propitious for a fair and honest
election. The referendum, however, provided Russia with a constitution, which, despite
its many flaws, established the ground rules for a democratic political process and the
development of genuine parliamentarianism while at the same time defending liberal
principles of human rights and the separation of powers. The principle of popular
sovereignty, at the heart of the democratic insurgency against the communist regime, was
reaffirmed. The results, however, revealed the profound divisions in the Russian society
and the absence of consensus over many key issues. The absence of a clear majority in
parliament, paradoxically, promoted the parliamentarisation of Russian politics by
forcing the development of consensual forms of government.

Michael Urban calls the new system ‘democracy by design’, whereby ‘those in control of
the state machinery attempt to shape the institutions and procedures of a competitive
election in ways that ensure an outcome favourable to the designers themselves’.53 The
whole history of the evolution of the British (and much of the European) democracy is, of
course, based on this principle, but in the Russian case the attempt to shape the rules to
the advantage of the ruling elite had an effect opposite to that intended. The increase in
the proportion of Duma deputies elected from party-lists from the earlier proposed one-
third, to a half, for instance, was condemned by the independent democrats as liable to

52 For a detailed analysis, see Richard Sakwa, “The Russian Elections of December 1993”, Europe-Asia
53 Michael Urban, “December 1993 as a Replication of late-Soviet Electoral Practices”, Post-Soviet Affairs,
exaggerate the support of certain blocs. A warning borne out by events—Zhirinovskii’s LDPR topped the party-list vote but won only five seats in single member constituencies. To stand, a party or bloc required at least 100,000 nominations, with no more than 15,000 signatories drawn from any one of Russia’s 89 regions and republics, so that the bloc or party had to have demonstrate support in at least seven. This provision was designed to stimulate the creation of a national party system and to avoid the dominance of Moscow, and at the same time to force the creation of larger blocs to overcome the fragmentation of Russian political life. According to Victor Sheinis, one of the main architects of the new electoral law, the aim was to ensure that local leaders did not exercise an undue influence on the elections.

The December 1993 elections to the Duma were held after Yeltsin had forcefully dismissed the Congress of Peoples Deputies, and a referendum to formalise the new constitution was held. Political parties were at the stage of formulating their policies and structures. The referendum for the Constitution and the events around it were the main issues in the election. The LDPR and most of the pro-reform centrist parties supported the Yeltsin constitution, and 5 of the 13 election blocs supported the Yeltsin draft constitution. The communist bloc, the Democratic Party of Russia and the Civic Union opposed the basic laws in the constitution. The impact of Yeltsin’s political and economic policies, and growing regionalisation were issues in the 1993 elections to the State Duma and federal council. In the elections, six electoral districts in Tatarastan and Chechnya boycotted the poll. Thus only 219 deputies were directly elected. An analysis of the candidates for the election showed that 14% were businessmen, most of who ran as independents. The others were lawyers and social scientists. A few workers were on the party list as candidates. The military was not active in this election.

54 Yeltsin decreed the increase in numbers to the State Duma on 1 October, The Political Situation in Russia, (Moscow, ‘EPI centre’, 1993), p. 26.
55 Izvestiya, 24 September 1993, pp. 3-5.
57 Guardian, 8 October 1993.
58 Sevodnya, 31 May 1995, p. 3.
59 Anuradha M. Chenoy, The Making of New Russia (New Delhi, 2001.)
The results showed that Zhirinovsky’s LDPR got the largest percentage of votes in the party list but few of their deputies were elected in the single-member constituencies. A number of studies show that the extensive use of the electronic media went in favour of Zhirinovsky. The pro-government Russia’s Choice with 15% of the vote also managed a sizeable number of directly elected deputies. The Communist CPRF with 12% and the Agrarian Party with 7% followed closely. Together, this alliance had 27 directly elected deputies. Two of the coup defendants Vasily Starodubtsev and Anatoli Lukyanov got elected from Tula and Smolensk. This showed the uneven nature of public opinion in Russia. Other centrist pro-reform parties and the Women’s Party followed crossing the 5% margin and thus sending some deputies to the Duma, independent candidates made remarkable gains by cornering 126 of the directly elected seats.

The results of the Duma election showed the de-politicisation and alienation of the public. The increased pace of transition and social change led to fragmentation of the choice of parties and candidates. The number of elected showed the distrust of political parties. The poor showing by the centrist pro-reform parties was a consequence of their lack of organisation and also because of the distress caused by the transition policies to sections of the population. The communist who had been discredited after the August 1991 coup and their party subsequently banned, showed a quick recovery. This was because they were the only party with long political experience. However, many of their methods were outdated in the context of multi-party democracy. But nonetheless, they were able to reorganise themselves and make alliances that helped in their electoral success.

The democrats and especially Russia’s choice became victims of the economic crisis and their close association as a governmental party. This party saw all conflicts in society as based on an ideological confrontation between the democrats and the communists. The democrats based their assessment on the April referendum, where Yeltsin faced no opposition in terms of a political alternative, were supported by the press and yet only won just slightly over half the votes cast.

60 Ibid.
The other democratic party, Yabloko had an uninspiring campaign and the voters did not see any clear differences between this party and Russia’s Choice. The pre-election public opinion survey showed that it was primarily the CPRF that had mobilised its supporters for the elections. Other parties depended on the mass appeal through television and media coverage. The results of the election revealed trends in regional voting. For example, Vladimir Zhirinovsky’s Liberal Democratic Party of Russia, gained in some of the regions in Russia like Smolensk, Tambov, Orlov and Ryazan (between 30 and 34 per cent of votes), while Russia’s Choice received a high percentage of votes in the northern regions such as Moscow (37.22 per cent), St. Petersburg (26.25 per cent), Perm (25.79 per cent) etc. The Communist received the highest votes in many of the republics like Dagestan, Kabarda, Balkaria, Bashkorotastan, Buryata, etc.

State Duma Elections, 1995

Granted only a 2-year term, there were attempts to prolong the First Duma’s mandate. Ryabov, however, insisted that any delay would infringe the Constitution, and the view that the constitution would become meaningless if its provisions were altered at will by the political bureaucracy that triumphed. Given such an eventuality, the second Duma elections were held in 1995 after a gap of two years. The government had agreed that since the 1993 election had been held under difficult circumstances, the first Duma would have a 2-year term instead of the stipulated four years term. Several issues confronted the parties and the electorate as Russia went to the polls in December 1995, to elect representatives to the Duma. The free fall of the Russian economy and the continuous impoverishment of large sections of the Russian people were major electoral issues. Industry had been on the decline by 20% every year since the start of the privatisation programme. Inflation was as high as 14% in 1995, and 13% of the people were officially unemployed. Late payment of the pensions and stagnant income of government employees showed the depth of the economic crisis. One of the surveys suggested that 47% of the people polled considered themselves destitute and blamed the Yeltsin reforms.

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61 Ibid.
62 Ibid.
64 Nezavisimaya gazeta, 19 July 1994.
for their plight. The proposed reforms in the agrarian sector were also an election issue. Russian military intervention in the Republic of Chechnya became another election issue. This intervention that was carried out without informing the Parliament had been roundly criticised in the Duma as an illegal act.

In the 1995 elections, parties formed coalitions to facilitate their elections. Several new parties and political formations were formed just before the elections; including the pro-government bloc ‘Our Home is Russia’. Parties contested the 225 seats that were to be based on party lists. The 225 seats reserved for direct election in single-member constituencies had on an average 20 individual candidates for each seat. Each voter thus received a ballot paper the size of a booklet. In this election the vote was so fractionalised among the 43 electoral blocs that only 4 of the electoral blocs managed to get past the 5% barrier. Approximately 49% of the vote was wasted on parties that received no seats in the Duma.

In the 1995 Duma elections, the Communist Party of the Russian Federation (CPRF) emerged as the single largest party in the Duma. The Communists received about 22.5% of the vote and gained the largest number of seats reserved for the party lists. The CPRF also won about one-third of the rest of the 225 seats for the directly elected single district constituencies. Thus, along with 58 deputies elected in local constituencies, they gained 157 seats, more than one third of the total and almost twice as many in the previous Duma. This proved a gain from 11% of the vote the Communists had received in 1993. The Communist Party gained first place in most regions. The Agrarian Party, an ally of the communists, suffered electoral losses in that its overall support declined from 8% in 1993 to 3.9% in 1995. However, they won some seats in the direct elections and their base remained restricted to some of the rural areas. This party fared well in the local elections in many of the regions.

Centrist parties were in organisational disarray before the elections. They did not articulate their ideology clearly. They had once again reformed themselves just before the elections. Some of the parties that had contested the 1993 elections had disintegrated. The
main pro-reform party, largely identified with the government was the ‘Our Home is Russia’. Prime Minister Victor Chernomyrdin put this party together in April 1995 as a centre-right electoral bloc. Many federal ministers and 46 governors of regions supported this bloc. Our ‘Home is Russia’ did not define itself as a party committed to democratisation or political change. ‘Stability’ became its slogan, in the absence of any clear ideological articulation. It was identified as the party of power since its main task was to support and defend the policies of the government. This party combined the political power of state administration with the financial support of private capital.

In the 1995 Duma elections, the strength of the LDPR declined considerably. The number of votes they received on party lists declined to 11.8 percent. Their deputies were declined to 51. This was because of the role they played in Duma. They had supported Yeltsin on many of the unpopular issues and were seen as negative elements. The Communists had gained from the support base of the LDPR. Moreover, the rise of the new formation, the Congress of the Russian Communities (KRO), with former General Aleksander Lebed and Yuri Skokov, who were also identified with nationalist ideologies, cut the base of the LDPR. General Lebed, a veteran of the Afghan War had opposed Russia’s military intervention in Chechnya and resigned from the army because of differences.

The 1995 election showed that the political process is becoming less controllable. The attempt of Boris Yeltsin to create a ‘guided democracy’ did not succeed. The Communists and the nationalists continued to have substantial strength in the political processes. The nationalist right however, ceased to have direct or straightforward control though they control property and have links in the political institutions. The Duma constituted after the 1995 elections was dominated by the Communist alliance. This alliance further strengthened itself by receiving the support of other small groups and independents under the umbrella formation of the national patriotic fronts. Yeltsin could not control this Duma just like he did not control the earlier one. In fact the 1995 Duma is

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more similar to the one prior to 1993, where conflicts with the president were common. While the democrats suffered a moral defeat, the position of the left in the election was still far from a real victory.

The election results showed that the voters had rejected the course of action followed by the government, despite the propaganda for the government launched by Our Home is Russia and by the government, supported by the state television. The right wing political parties that had strongly supported the privatisation programmes, despite their anti-government rhetoric, were rejected. Voters had evidently seen through the propaganda of these parties that sought to mobilise Russians against other communities, and at the same time support a quick transformation to capitalism. Clearly, great power chauvinism did not attract the voter. The failure of the centrist parties indicated that the Russian voter clearly wanted a new strategy for reform. The elections confirmed that the Communist Party continues to have a legitimate base in Russian politics. It has the potential to overshadow all other Russian political and social formations.

The process of electoral politics and democratic elections despite their flaws signified a new democratic political order. The electoral procedure as designed by the Russian constitution was tried and tested, despite its shortcomings. A democratic base for a multi-party system had been established. The party-making and political mobilisation process initiated a new political culture of mass mobilisation, political change and accountability. Despite the problems, a new party system consolidated in the Russian federation. The Russian electorate by voting against the parties identified with the government has shown its anger with the ‘Shock Therapy’ model of reform. They have also rejected the ideology of ultra nationalism and voted against violence and corruption. At the same time the divisions of Russian society have grown, and deep divisions in the electoral process and parliament reflect this. The political equilibrium of the Russian society, which is very unstable, is evident in the parliamentary elections.
Presidential Elections of June-July 1996

Russia has a two-ballot system for the presidential election. The second round of the 1996 Russian Presidential election offered voters a choice between candidates representing competing regimes. President Boris Yeltsin on the one side and his chief opponent, communist party leader Gennadiy Zyuganov, on the other. Other candidates such as Aleksander Lebed and Girigoriy Yavlinskiy, could claim a 'clean hand', because they were not closely identified with either the communist old regime or the current Yeltsin regime. But most voters were unwilling to take a "leap in the dark" by supporting them.

The first round ballot was widely known as the qualifying round in the choice of President. Boris Yeltsin and Zyganov qualified for the second round. Polarised pluralism is an appropriate characterisation of this round, as the two candidates offered an either/or choice. Yeltsin and Zyganov represented different political regimes, and all Russians who had lived in a communist state and in Yeltsin’s pluralist regime were aware of the differences.66

The 1996 Russian Presidential election produced defeat for the communist party of the Russian Federation. Though the first round ballot showed that Yeltsin was capable of being defeated, but succeeded only by building a broad coalition that aggregated support for him. In sharp contrast, Zyuganov was unable to make such an appeal. This was not just a matter of personal inexperience as a candidate in a free competitive election. It also reflected the anti communist coalition he led, which veered towards the extreme rather than the centre, including Marxist Leninists. The narrow social base of coalition hampered in broadening Zyuganov’s appeal in the second round.

Boris Yeltsin secured re-election by putting together a heterogeneous coalition (ranging from Yegor Gaidar, Viktor Chernomyrdin to Lebed). But it is very difficult to say that it was a positive endorsement of Yeltsin’s record or personality, which even his admirers

recognised as 'thread bare' at best, and at worst showed a desire for power rather than democracy. Nor could it be an endorsement of a party programme, for Yeltsin ran as an independent free of any party. Neither was it an endorsement of governing team. As he had consistently distanced himself from the Prime Minister and Cabinet Ministers, blaming 'them' whenever the government appeared unpopular. As a matter of fact, he won a negative mandate by blaming the communist legacy for the country's current ills and by threatening a turn for the worse if the communist party regained power. So, Yeltsin's rise from the depths of unpopularity to win Russia's presidential election was one of the most surprising feats of recent political history. In any case, this election, both in its occurrence and its results gives one reason to believe that, for all its problems, democracy is now entrenched in Russia.

Elections and the Russian Political System
The Russian elections of December 1993 were in effect the founding election; but they did not entail a change of government and were not held according to stable set of rules; the electoral law was imposed by decree rather than legislative consultation. Russian democracy had not had a founding election, and this is yet another indicator of the hybrid nature of Russian democracy.

However, electoral politics limited the choices of the regime system and imperfect procedures, determined the nature of Russia's emergence from communism. While the elections might have been flawed, the commitment to electoral politics precluded some of the harsher options. The Chinese-type authoritarian modernisation was excluded once perestroika legalised political contestation. Gorbachev's own attempts to control the transition within the framework of 'managed democracy', retaining a leading although modified role for the communist party, shattered under the impact of electoral defeats and the emergence of parliamentary assemblies legitimised by the popular vote.

Genuine electoral politics in Russia emerged gradually out of a destructive mix of quasi-elections and referenda. Votes between 1989 and 1993 had a plebiscitary character in that they focused more on the very nature of the new political order rather than simply renewing the personnel of an existing system while maintaining the distinction noted earlier between ‘constitutional’ and ‘normal’ politics. The direction of Russia’s development is still not assured and it is this very factor that prompted the regime system to place limits on the ability of elections to achieve a change of course. The powerful Presidency in Russia discounted strong parties and weakened the role of parliament. Electoral politics also have a less tangible effect by becoming the main form of social contestation, reducing the typically Russian contest of ideological absolutes. The old struggle between ‘Westernisers’ and ‘Slavophiles’ was echoed in the tension between ‘Atlanticists’ and ‘Eurasianists’ while the binary structure of politics was reflected at first in the struggle between ‘democrats’ and ‘partocrats’, and later between ‘democrats’ and ‘red-browns’. Moreover, the Election has acted as the primary form of political mobility, sought to bring new people into political life; people who in one form or another reflected real social interests.68

Numerous theorists seek to understand elections, in post-communist societies and elsewhere.69 The classical approach is to suggest that voting behaviour is associated with socio-economic divisions and interests, but this can hardly be applied to the Russian society. Simplistic rational choice theory would suggest that governments that deliver the goods get rewarded, whereas those held responsible for poor economic performance get punished. In the Russian conditions this would mean that any government for the foreseeable future would be deeply unpopular. A more nuanced approach seeks to incorporate belief systems and political commitments into voting behaviour, the role of negative or ‘protest’ voting as well as the problem of tactical voting.

The elections of December 1993 and 1995 belied the optimism of those who saw post-communist Russia in terms of a unified democratisation process. The already tenuous

69 These are discussed by Geoffrey Evans and Stephen Whitefield, “Identifying the bases of party competition in Eastern Europe”,
concept of parliamentary government was further discredited. The rise of nationalist sentiments in 1993 and of neo-communist restorationism in 1995 reinforced national democracy as the pre-dominant ideology of the regime. Although the majority of patriotic and nationalist movements were marginalised in October 1993, their ideas appeared to triumph.

Post-communist elections in Russia might well reflect the immaturity of the Russian electorate and its susceptibility to demagogic promises, but they also reflect a more profound institutional immaturity of the democratic system and of political and social processes in their entirely. Crisis appears to be the normal state of Russian politics, and institutional reorganisation typical of the system. As for society, the revolutionary implications of the fall of communist power and the change in property relations has not yet given birth to a stable new class or ordered hierarchy of elite privileges and societal values. The whole concept of ‘support’ appears ‘frangible’ and susceptible to rapid changes; and by the same token opposition to a large degree cannot be taken as a stable political position but a reflection of temporary antipathies.

However, it is clear that electoral outcomes have had a substantial impact on the direction of government policy. The relative success of the LDPR in December 1993 led to a reorientation of foreign policy towards greater assertiveness of the Russian national interests in relation to the West and to the republics of the former USSR. Similarly, the communist success of 1995 led to change in priorities in economic reform for ordinary Russians, rather than simply to monetary targets. In the Presidential elections in 1996 contact with the voters led to a stress on dealing with the twin problems of wage arrears and of the war in Chechnya, and to a number of extravagant promises of public spending. Although after the election much of this was forgotten or even disowned, the fact remains that the electoral process exposed Russia’s rulers to the people they rule in a way, which was unknown before the last stages of communist rule. The difficulty was that while the main opposition to the concurrent authorities came from the extremes of left and right, there was little likelihood of a peaceful handover of power.
As regards electoral outcomes, two main features stood out. Firstly, Russians have used elections to signal their unhappiness with the state of the country. Secondly, the 1996 Presidential election indicated that most were unwilling to attempt a return to the past. There may be little confidence in the honesty or policies of the present administration, but suspicion of how matters would turn out under an alternative, and a fear of irreconcilable conflict or civil war, overrides these concerns. In that respect, the Russian electorate, although volatile, is surprisingly conservative given the grim state of the national economy and the many other problems facing the country.

Regional Voting Patterns
The patterns over recent elections have showed that supporters of economic and political reform have done better in northern and eastern Russia, while communists have achieved higher number of votes in southern and south-western areas. A notion which is commonly used to explain Russian regional voting patterns is that of the 55th parallel: reformers have done better above this latitude, communists and their allies better below it. More sophisticated analyses have sought to explain this observation, as well as the other patterns of regional voting. For instance, anti-reformers do better in the south of European Russia in particular because this is the agriculture heartland, and Russia’s agriculture remains dependent on the continuation of a system of state subsidies, as proposed by communist successor parties. Additionally, in many areas, the old communist nomenklatura retains a firm grip. By contrast, reformers have done better in urban regions where the population is better educated, and also in the natural resource-rich areas of the far north and east. The oil and gas industries, concentrated in the latter area, are one of the few parts of the Russian economy to be doing relatively well in recent years, and of course require a continuation of a policy of openness and Russia’s integration with the world economy.

The nationalist vote has been especially high in border areas, particularly where there has been an ongoing territorial dispute with neighbouring countries, such as Pskov oblast with Estonia, or where there has been a high influx of refugees from other parts of the former Soviet Union. The appeals to restore the USSR evidently fell on receptive ears in
such areas. There has also been conspicuous success in some of Russia's ethnic republics. It has been suggested that this is the consequence of ethnic tensions that exist in these areas.

The Function of Election in the New Russia

The evident surprise at the outcome of the December 12, 1993 elections is a mark of the degree to which expectations of the inexorable progress of reform had been generated after eight extraordinary years of change in the Soviet and the Russian politics. It also shows that the accumulation of experiences of reform has led many voters to situate themselves well to the political 'left' of the policies implemented by the government since January 1992. Voters' preferences appeared to have become strictly egalitarian, against marketisation and privatisation as it has been pursued, and in favour of state intervention in the economy. However, these preferences co-exist with continued normative commitment to markets and democracy in principle, with respect to the electorate as a whole, it is the supporters of radical economic reform who tend to be in a distinct minority.

But, there are varied perceptions regarding the elections and their effects. From one perspective it can be argued that the elections may be considered a predictable reaffirmation of traditional Russian political culture. In this view, values such as "orthodoxy, autocracy and nationality, socialist economy and egalitarianism were reasserted by large sections of the electorate. At the other extreme, an elaborate whose political culture had changed significantly during the last four years may view the election as a protest vote. Whereas the first view emphasis is on cultural continuity the second argues that, over a period of time, the Russian people have gradually become more market oriented. Third, the election may be considered as part of a learning process within the electorate, through which the experiences of market and democratic reforms from part of an ongoing reorientation of political culture.

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An in-depth analysis of the 1993 elections shows that it was not merely a 'protest vote' against the incompetent management of a desired radical transition. Rather it suggests that the transition experience itself has reoriented public opinion away from the utopian expectations about the market and democracy, which were characteristics of the period when the old system was collapsing.

The Russian Transition to Capitalism

The transformation of the Russian economic system from a state controlled, planned economy to a capitalist system, and dominated by market forces was a key agenda of the Russian regime and their Western supporters. It was believed that a new system of full-grown capitalism could emerge from the ashes of a completely destroyed state ownership system. The attempt was to weed out state-owned enterprises and transfer their ownership to a new class of individual entrepreneurs. Similarly, the collective farm system that had been the mainstay of Russian agriculture during the Soviet era was to give way to privatised capitalist agriculture. The majority of these state enterprises and collective farms were in functioning order when it was decided to dismantle them. There was no real crisis in their structure, function, organisation or output, when it was declared that the entire system was to be transformed.

Attempts to lessen state control were initiated during President Gorbachev’s regime under the ‘perestroika’. In 1988, the Law on State Enterprises granted greater autonomy to enterprises with regard to production and financial decisions. Production targets and orders given by the state were removed. Enterprise managers were given autonomy to set targets and look for orders. Bonuses and wages were linked to production. Enterprises could retain some amount of profits. New laws on co-operatives encouraged the development of small farms.

The attempt of these reforms to end the two related problems of the Soviet economy stagnation and shortages did not succeed. Bureaucratic intervention was cited as one of the drawbacks of these reforms. Monetary financing of the budget and changes in the pricing system increased inflation. Regional assertiveness reinforced the process of
autonomy and a break from central control. The failure of the reform contributed to the
delegitimisation of the Gorbachev reforms, and a critique of the Soviet economy as un-
reformable. Market economy and liberalization was posed as the best and only possible
alternative by the forces led by Boris Yeltsin and those who backed him in the
disintegration of the USSR.

**Privatisation Programme**

In late 1991 Boris Yeltsin presided over a political and economic system, which was in
ruins. There were no blueprints explaining how to build capitalism out of the ruins of a
centrally planned economy. The only model out on offer and one, which was urged on
Yeltsin by Western advisors such as Jeffrey Sachs of Harvard was the shock therapy
introduced by Poland in January 1990.\(^{71}\) On 2 January 1992 the Gaidar government
launched its version of shock therapy-liberalisation of domestic prices and foreign trade.
combined with a tough fiscal and monetary policy. These policies were subsequently
encapsulated in a memorandum submitted to the International Monetary Fund in
February 1992, which led the IMF to release $ 3 billion in financial support.

The political collapse of late 1991 created a unique window of political opportunity. The
August coup had discredited Yeltsin's major political adversary- the central party and
state apparatus-and enabled him to shut it down overnight. His political popularity was
unchallenged, and it seemed that he had a free hand to adopt whatever economic
programme he wanted. Yeltsin's advisors did not know how long this opportunity would
last. They wanted to move as quickly as possible to set Russia irreversibly on the path to
a market economy. At the same time they had to deal with some acute immediate
problems, such as emptying shelves and runaway inflation. Yeltsin decided he had
sufficient political authority to dispense with fresh parliamentary elections. Later
developments proved this to be an erroneous decision, since by spring 1992 the Russian
parliament, elected back in 1990, parted company with Yeltsin and began to block many
of his economic reforms. It was fairly easy for Yeltsin to implement 'negative' policies-

\(^{71}\) Peter Rutland, "The Rocky Road From Plan to Market", in Stephen White and Others (eds.),
to abolish the CPSU’s central committee apparatus, to disband the central ministries, to lift restrictions and controls. But it proved more difficult to implement ‘active’ policies, which involved the government doing something positive—such as raising taxes or privatising industry. For this, the cooperation of other political actors was required—and their compliance could only be brought at a price.

Around 85 percent of domestic prices were freed in January 1992. Producers responded by cutting output and raising prices, causing an inflationary surge of 300-400 percent within weeks. On the positive side, this meant that price rather than rationing became the dominant mode of allocation in the economy. On the negative side, living standards fell by 40 per cent and people’s ruble savings were wiped out overnight. Freeing prices before breaking up the monopolies that dominated Soviet industry proved to be a recipe for hyperinflation, as Grigorii Yavlinsky had predicted. Under pressure from their workers, managers continued pushing up prices, in order to generate cash to pay higher wages. Managers were not aware of the need to compete on price, and assumed their customers would continue taking their products. The absence of working capital in the economy meant managers also solicited massive credits from the Central Bank, at highly negative rates of interest. The economic turmoil, which resulted from this measure, eroded the government’s political support, and forced them to back off from liberalising and energy prices in April.

Achieving full convertibility for the ruble was a top priority for the Russian economic reformers. A convertible ruble would be a symbol of monetary stability, and would introduce world market prices to the Russian economy, undermining monopolistic pricing by Russian producers. The government quickly allowed businesses and private citizens to freely convert rubles for dollars.

In order to stabilise the ruble, the government would have to balance its budget and bring money emission under control. Gaider ran into strong opposition from industrial and agrarian lobbies that wanted more soft credits to keep themselves afloat. Firm continued to make deliveries to each other without payment, expecting the Russian Central Bank
(RCB) to cover the wage bill. The battle to control the money supply was effectively lost in July 1992 when Gaidar ceded control over the RCB to the Russian Parliament with Viktor Gerashchenko, former head of the Soviet state bank, being appointed as bank chairman. The money supply tripled over the next quarter. Reformists in the government launched the privatisation campaign in the summer of 1992 a bid to build a popular base of support for the reforms. The drive was organised by Anatolii Chubais, at this time chairman of the State Property Committee (GKI).

The main purpose of privatisation is to break the dependence of enterprises on the state budget. Subsidies and relatively easy access to bank credits fuelled inflation and undermined the credibility of the whole reform programme. However, privatisation is as much a political act as economically expedient, the destruction of the old monopolies and their corporate dependence in the state not only begins to create a capitalist market but also entails the destruction of the associated bureaucracy. For Chubais, the deputy Prime Minister at the head of the State Committee for the Administration of state property (Goskomimushchestvo, GKI), responsible for privatisation, the programme was designed to create a new class with a stake in property and thus make society less susceptible to political demagogy.

The aim of privatisation was to overcome the amorphousness of the whole notion of property and to personify it in the form of concrete owners or known corporate agencies. The abstraction of ‘State Property’ was to be overcome and a new class of property owners created. The Presidential decree on the privatisation of state and Municipal Enterprises in the RSFSR of 29 December 1991 set ambitious targets for privatisation but little was said about demonopolisation.72 The Government programme of privatisation of June 1992 was the main document outlining Russia’s privatisation programme:73 all small enterprises (the 20,000 enterprises with up to 200 employees most of whom were owned by local and municipal authorities) were to be sold through competitive auctions, commercial tender competitions or lease buy-outs; large enterprises (with 1,000 to 10,000

72 Rossiiskaya gazeta, 10 January 1992, pp. 3-4, with an appendix on 15 January, p. 2.
employees) were to be transformed into joint stock companies (corporatised), after which their shares were to be sold or distributed according to the provisions of the mass privatisation programme; medium-sized enterprises could adopt either the direct sale or corporatisation method.

In addition, in August 1992 the government began to issue privatisation vouchers with a nominal value of 10,000 rubles. Citizens were given investment coupons, that is registered securities enabling them to buy shares or management shares at preferential rates of the 6,000 medium and large companies earmarked for corporatisation in 1992 and privatisation in 1993. The coupons method does not create additional capital or strengthen the management of companies, but it symbolised the advent of 'popular capitalism'. Russian now has the highest member of shareholders in the world. Chaubais favoured direct auction privatisation, despite criticism from the opposition that this would allow the 'mafia' to buy up enterprises, combined with voucher sales. A more radical approach to privatisation was advanced by neo-liberal 'romantic-marketers' like Larin Piyashera, who opposed the transfer of all types of enterprises free to worker collectives, with the purchase of part of the property if it was especially profitable.

Much of the debate over privatisation focused on the issue of equity. The argument that enterprises should be given to their workers was flawed since those in the service sector or bankrupt plants. The debate was often couched in terms of equity versus efficiency. Anders Aslund, an adviser to the Russian government, favoured the most rapid disbursement of state assets to establish a critical mass early on in the reform process.\(^7^4\) Milton Friedman, however, insisted that ownership meant not only assets but also liabilities, and that old illusions would be perpetuated if the first step on the road to the market was giving people something for nothing instead of having to provide something in return.\(^7^5\) The giving away of state property to workers might well undermine both

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\(^7^4\) Interview with Anders Aslund', in Bush, *From the Command Economy to the Market*, pp. 7-12, p. 8.
\(^7^5\) Interview with Milton Friedman, in Bush, *From the Command Economy to the Market*, pp. 49-57.
efficiency and equity since those who did not work in a state enterprise or had retired would be at disadvantage, and the value of enterprises in any case varied sharply.\textsuperscript{76}

Privatisation turned out to be a highly complex affair in which genuine problems were compounded by an almost obsessive fear of foreign penetration of the economy allied with the attempt to avoid the Soviet mafia buying up land and enterprises with their ill-gotten gains. Moreover, the typically heavy-handed bureaucratic approach to privatisation smothered local initiative. In one respect, however, privatisation was easier in Russia than elsewhere since the process was little affected by privatisation, the restitution of property. Russia's former owners were for the most part dead, and their heirs scattered to the four corners of the earth.

Gaider admitted that privatisation would be a heavy, long process\textsuperscript{77}, but in the event it proved one of the most successful policies. By September 1994 some 100,000 enterprises had been privatised and over 80 per cent of the industrial workforce were in privatised enterprises.\textsuperscript{78} By 1995, 29 percent of the housing stock had been privatised. The aim was to make the transition to the market economy irreversible by creating a class of property owners while at the same time making firms more efficient and market oriented. In addition, rapid state sponsored privatisation sought to pre-empt factory directors from appropriating choice parts of the state economy. The majority of privatised enterprises were not sold to the public but in workforce elections, encouraged by their managers, voted for the option that allowed staff to buy 51 per cent of the stock at a fixed price. Rather than outside owners coming in and shaking out factories and sacking staff and managers, control remained within the factory gates. The relatively successful voucher privatisation was followed from mid 1994 by a second stage focusing on key aspects of enterprises restructuring and with more emphasis on private sector development, including the transition to cash privatisation, the attempt to achieve more efficient corporate management, and the accelerated development of securities markets and legal

\textsuperscript{76} For a discussion of these issues, see Elizabeth Teague (ed.), Is Equity Compatible with Efficiency?, \textit{RFE/RL Research Report}, vol. 1, no. 17 (1992), pp. 9-14.
\textsuperscript{77} \textit{Literaturnaya gazeta}, 19 February 1992, p. 3.
reforms. Enterprises were not encouraged to raise investment resources on the open capital market, and at the same time cash auctions and investment tenders for stakes in the newly privatised companies and for blocks of shares held by the state in privatised enterprises accelerated. Vigorous attempts were made to attract foreign investment, and by mid 1994 it appeared that capital flight had been seen to be reversed as foreign portfolio investment rose.

Privatisation was open to all sorts of frauds known collectively as 'nomenklatura privatisation'. Speculative dealers, above all former functionaries, stood to benefit unduly from the process since they could exploit their insider knowledge, contacts, and above all liquid assets. They could take advantage of their strategic position to buy the best shares in the best companies. The most common method was for managers to hire off the most profitable parts of an enterprise and then to lease or sell them to private companies with themselves as directions, which they then applied to register with the local authorities. Underworld operations could also take advantage of the sell-off to launder illicit earnings into legitimate businesses. To prevent nomenklatura privatisation the state for anti-monopoly policy, a body independent of the government, vetted all company registrations valued at more than 50 million rubles. The anti-monopoly legislation was relatively ineffective and pursued with a singular lack of vigour, and demonopolisation tended to take spontaneous rather than planned forms.79

While nomenklatura privatisation aroused widespread public envy and hostility, and to a degree undermined the legitimacy of the whole privatisation process, it could be regarded as no more than a distinctively Russian form of spontaneous privatisation and an adoption to new conditions of the customary rights that had developed during Breznev’s rule. From this perspective there was nothing to stop formal legislation sanctioning these formal processes; but this, perhaps, was to take too benign a view. The vast majority of the population had been lumpenised, deprived of property, and in these conditions the attempt to conduct a radical economic reform and privatisation without

strict controls by the executive and judicial authorities allowed a small group of economic managers and nomenklatura capitalists to seize the lion's share of state property.

The command economy in the Soviet Union disintegrated before the communist system itself. Russia was faced by an awesome legacy of economic mismanagement, mismodernisation and decay. The question of economic transformation was a question of what sort of Russia was to emerge from the shell of communism. No longer did Russia set itself up as an alternative model but sought to join global processes of economic interdependence, but found that there was no single model of the market economy. Russia and the other post-communist societies had to feel their way forwards on the edge of a precipice in the dark. The cold rationalism of shock therapy imposed enormous strains on the economy and society and its benefits, like a stable currency and improved productivity, appeared elusive. However, no other economic programme provided a coherent alternative. The political system survived the various crises, and indeed gradually socialised the population into acceptance of the market. The lesson of the reform experienced in Eastern Europe, however, appeared to be that while drastic economic liberalism might be necessary in the first stage, it had to give way to strategies aimed at stimulating growth and combining macroeconomic stabilisation with macroeconomic enterprise viability and national development. Amid the endless debates, however, one thing was clear; the fate of democracy in Russia and the stability of the international system depended on the successful economic transformation of Russia.

**Privatisation and Regional Disparities**

The process of privatisation in Russia was decentralised because of the great size of the state sector and because of regional diversity. Enterprises were auctioned at the regional levels by local authorities in charge of privatisation. The pace of privatisation between regions varied greatly. Regions also adopted different approaches and policies in the privatisation process. This led to regional variations. People living in far out regions could not use their vouchers in auctions in other regions, though some national auctions schemes were attempted.
Privatisation processes led to new disparities between regions, and Russia was increasingly divided between rich and poor regions. A study of Chelyabinsk region showed for instance, that businessmen from Moscow and Kazan, with 'bags full of vouchers' bought out shares totaling 6 per cent of the start up capital of enterprises. As a result 2.5 million residents of the Chelyabinsk defense sector enterprise were cut off from the voucher based auctions. The managers of the military-industrial complex in the region attempted to prevent the defense sectors of the region from being turned into joint-stock companies. Privatisation Minister Anatoley Chubais intervened to fight against the trend initiated in Chelyabinsk so privatisation would continue but faced resistance.

Studies have shown that the gap between regions widened from 3.2 times in 1992 to 4.9 in December 1992. With wide regional disparities there was the development of rich and poor regions in Russia. Regions have often attempted to follow independent economic policies and have even taken steps to re-organise themselves.

Assessing Post-communist Economic Reform

Russia experienced a massive economic slump as it underwent the transition to a market economy. The level of output fell for seven straight years in a row, from 1990 to 1996. Experts disagree with the extent of the fall, arising that the boom in the unofficial economy compensates for the decline in reported production. They point out that the fall in electricity production- accurately measured, and an indicator of overall activity been much less than the fall in recorded GDP. Still, while electricity output has fallen 19 percent since 1991, it is probable that Russian industrial production has declined by more than half, and food production by about one-third, over that period. To some extent this has been offset by a surge in the service sector, with the emergence of whole new industries like banking, insurance and advertising that barely existed in the old Soviet economy.

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80 Sevodnya, April 20, 1993.
In most East European countries, output started to grow about six months after inflation was brought under control. In Russia, this did not happen, probably because of the heavily distorted economic structure inherited from the Soviet regime. Even in 1996 some sectors still saw massive falls in output, such as light industry, agricultural machinery (42 percent) and defense industry (40 per cent). Increased output was however reported that year for some export commodities, such as natural gas (1 percent) and raw aluminum (5 per cent). Those small pockets of growth do not seem to be generating much investment, however. Overall, capital investment as a proportion of GDP fell from 21 per cent in 1990 to around 15 per cent in 1992-96.

There were some sluggish efforts to concentrate Russian industry. A December 1993 Presidential decree encouraged the formation of conglomerates known as financial-production groups (FPGs). By June, there were 34 registered FPGs, uniting firms 1,457 firms and 49 breaks and accounting for 10 percent of GDP, from 2 percent a year earlier. The farm sector has also been hit. Farms were unable to buy fuel and machinery and fertiliser use plummeted. State subsidies for farms fell from 12 percent of GDP in 1991 to less than 4 percent in 1996 and covered only 8 percent of farms total costs.

Despite the contributing economic recession the 'social explosion' which some had predicted failed to materialise. Poverty and crime were more acute problems than in Soviet times, but Russia's social fabric was still more or less intact. The costs of ongoing deprivation were borne at household level: families survived by pooling their resources and seeking additional source of income. Adjusting for purchasing power parity and unreported income, Russia comes out with a per capita income of about $ 5,000 a year, on a part with Brazil, Turkey or Iran.

After the initial drop in living standards at the beginning of 1992, real wages mostly kept pace with inflation throughout 1992 and 1993, although differentials increased in some sectors. The curious phenomenon of mass wage and pension arrears illustrated how far Russia still was from a normal market economy. The proportion of the population living
below the official poverty level peaked at around 34 percent in January 1995, and fell to 20 percent in 1996.

Considering the degree of economic and social turmoil, Yeltsin encountered little organised social opposition to his reforms. In April 1993 referendum, a majority (53 percent) of voters voiced their support for Yeltsin's economic reforms, and a similar majority (54 percent) reelected Yeltsin as President in July 1996. It was resistance from the industrial managers, from the Parliament and from within the governmental apparatus itself that blocked the reforms and not opposition from society at large.

Market forces played a dominant role in the Russian economy. However, most factories and farms do not follow market signals but are still under the control of local economic and political entities, mainly the same people who ran things under the old regime. Amidst the economic confusion a small financial elites emerged, able to play the game to their own advantage, but unable as yet to create the conditions for a general revival. It is not surprising in these circumstances that Russian voters have repeatedly turned to parties that promise to alleviate the conditions in which they live and that they have been sympathetic to political leaders that have told them there are alternatives to a rejected communist past and also to a market economy that has failed to produce the abundance they had so confidently awaited.

Yeltsin made drastic changes in the economic structures and introduced a market system primarily through a series of presidential decrees. The speed of these decrees was so fast and their number was so many that few people except the top most policy makers were familiar with their content. In fact, several of these decrees contradicted each other, some were repetitive and others appeared very confused.

The Yeltsin-Gaider programme of shock therapy led to major changes in the social and economic relations of Russian society. From a system based on regulated differences between people, new classes have emerged. The upper section of the society comprising nomenklatura linked with the management and technocratic positions, bureaucrats, and
policy makers, the traders, the neo-capitalist etc., had a major stake one way or another in the neo-economic structures. But the economic reform has led to a sharply towered lifestyle for the majority of the population.

Yeltsin shifted positions to maintain himself in power and to maintain his role as the arbitrator in the political and economic transformation of Russia. His inconsistency was also reflected in his change of personnel. On occasion, he was guided by his choice of a personality than a policy like his choice of Chubais. In his policy he often contradicted himself. This lack of integrity was mirrored in the Russian elite, who switched over from being part of the Breznev era managerial and technocratic elite to one with ‘market’ and ‘democratic’ ideology. The main cause of dispute between the Parliament and President was the speed of the reform and its impact on ordinary people. Not only had most prices risen by 2000 percent, but the nominal value of the industrial enterprises was frozen at the 1991 level. The prices of enterprises were thus abysmally low.

Thus, municipal shops, housing, restaurants etc. were sold for large sums, big industrial enterprises were sold for absurdly small sums. With the simultaneous construction of a presidential system and the competition of the first phase of privatisation with vouchers, new forces and classes in Russian society have formed and compete for political and economic power. A financial and political elite has established itself as a group with a major interest in this new system. Having had the access to information links with political power and seed capital, this nomenklatura benefited from the sales of state enterprises. Having managed the Soviet monopoly enterprises, this group now wanted a share and control of these since they were being converted into private property.

Regarding impact of privatisation is concerned, it varied from region to region. Some regions have been privatised much more than others, especially urban ones. This uneven manner of privatisation is leading to lopsided development. While this is a feature of capitalist growth, the Soviet economy had tried to develop all regions to some basic level. The method used for privatisation has further exacerbated uneven development. With regional disparities ‘rich’ and ‘poor’ regions have emerged in Russia. Geographically,
they are bound to such regions in every country. But in Russia, areas with relatively high and others with low levels of national income group have developed.

Following the dissolution of USSR, in December 1991, programme of economic reforms was initiated to effect the transition from a centrally planned economy to market oriented system. In early stage of privatisation, West supported and provided loans and other facilities. But the internal problems, political instability and dismal economic performance gave contradictory signals about the future of the Russian capitalism and democracy. All these developments also influence the foreign flow to Russia. Now, all major international economic institutions and Western countries are reducing or cutting their aid to Russia. In turn, this has become an important area of concern. Russians are nervously eyeing the International Monetary Fund (IMF) and the West. On the other side, the IMF has already been disillusionment with Russian governments' failure to meet conditions that had been painstakingly agreed on. Yet Russia's finances are precarious. Without help from abroad, whether from the fund, Western governments, foreign banks or from all three, the most liberal government in Russia's history may face crisis.  

The present economic system can influence the Russian federal structure, at least two ways namely effects of privatisation at the regional level and the performance of the economic reform in the whole Russian context. Since region is an important entity of the Russian federal system, its economic success and failure will determine economic future in particular and political future in general. It's has already been discussed that the impact of privatisation varied from regions to regions. In effect, developed regions have become more developed and the under developed one have remained the same. It also divided the regions among the two groups-'rich' and 'poor'. Infact, this kind of effect is the product of Moscow's policies. This type of emerging trend may not be good for the Russian federal set up, because for the smooth functioning of the Russian system, unified economic system is required and not the federal one.

81 Anuradha M. Chenoy, The Making of New Russia (New Delhi 2001)
The present problems namely rising trends of ethno-nationalism, deepening economic crisis etc. have not emerged suddenly. These problems were present even before the disintegration of the Soviet state. It was the disintegration process, which accelerated and made these problems more serious.

Russia’s transition to capitalism has been a traumatic one. The belief that after the Soviet collapse a phoenix of liberal capitalism would arise from the ashes has not materialised. What Russia has in fact seen is that privatisation has bought ruin to the Russian economy and disaster upon the people. A large industrial complex, for all its faults and aberrations, has now almost seized to exist. The old trading structure has broken down. The ruble has declined beyond recognition. The collective farm system is disintegrating, without any alternative in its place. With no food security, most of Russia’s food is now imported. No new economic institutions have taken shape to regulate or control the economy. The social sector has been systematically hacked away. No social policy is in its place. The withdrawal of subsidies has pushed large sections of the people into poverty earlier unknown to them. The middle classes have been pushed to the periphery of society and the academic and intellectual manpower is disintegrating or migrating. New classes and a mafia have emerged with the withering away of a legal system.

The alternative being suggested is an increase in state control over the economy, an end to the current account convertibility; support to local industry; the widening of the tax net. The revival of some of the state owned enterprises is again being advocated. These steps are part of the mixed economy model, which countries like India had adapted after analysing the soviet model. For Russia today, it’s like selling the family silver and then recovering the few spoons. But these measures are in direct contrast to what the West and the liberalisers have been advocating. Moreover, strong lobbies advocating the same path to liberalisation have taken root. They control the media, public institutions and have the backing of powerful forces both within and outside the country. A change in the policy can mean yet another upheaval for the Russian people. But if Russia is to survive a change in policy appears imperative.
Conclusion

In Russia the ‘regions’- the territorial unit administered by a local government- has today become a powerful entity. The regional elite is an important player for struggle for power and control of the great re-division of state property. Since economic and political reform efforts have to be implemented in the regions, the real battle lines for power and property are carried on here. The role of the regions as influential actors in the Russian political scene has been demonstrated during the Russian referendum, and the local and national elections. The future of the Russian federation thus lies in its regions.

Regional variations in political power and economic structures in Russia led to struggles over power and control of resources. While the federal centre had used the disputes between the republics and provinces to play off competing interests against one another, the regions have adopted varied tactics to pressurise the centre. The centre’s regional policy consisted mainly of controlling the budget, and allocating sums to territories as part of the political pressure and patronage. This policy has led to regions using different tactics to pressurise the centre. Another consequence of the policy has been uneven development. Russia has thus been divided into rich and poor regions. At the same time, most political parties, including the democrats supporting Yeltsin, have not built regional links or grass roots movements. Only the Communist party and the old nomenklatura have links at the provincial level.

The basic issues of politics in the regions vary greatly, in part because of the wide variation in their socio-economic conditions. Regions differ in the extent to which they depend on agriculture or a particular industrial sector. This diversity is justification enough for significant decentralisation of policy-making.