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**POST-SOVIET POLITICAL PROCESSES -
THE CASE OF THE FEDERATION COUNCIL**

By

Susan Decker

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for the degree of**

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of the requirements for the degree of Master of Arts.

Professor Joan DeBardeleben, Director
Central/East European and
Russian Area Studies

Professor Andrea Chandler, Supervisor

ABSTRACT

This thesis is a case study of the Federation Council and explores the development of executive-legislative and centre-regional relations in Russia using a revised “new institutional” model. Using a rational choice perspective, I argue that the Federation Council developed the way it did as a result of the president’s and parliament’s need to establish the support of the regional political leaders. The governors used this dependence to secure for themselves a position in the upper house, the Federation Council and stalled the reform of local self-government, which would have seen some of their power redistributed. In an attempt to redress this power imbalance, Yeltsin, after successfully winning the June 1996 presidential election, tried to create a counterweight to the regional governors by more aggressively pursuing municipal reform and particularly the position of mayor. This tendency towards Machiavellian political processes that was revealed in this study has several significant implications, including perpetuating the antagonistic relationship between the centre and the regions as bargaining over the spoils of power continues.

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INTRODUCTION

THE ROOTS OF REGIONAL POWER

The Federation Council, Russia's upper house of parliament, was created in 1993 just after the October crisis, when Yeltsin forcibly disbanded the parliament, and was formally first included in Yeltsin's constitution. It was initially devised by Yeltsin both as a means to bypass the then Supreme Soviet in his bid to pass his version of the constitution that provided for a strong president and at the same time engender the support of the regions. Significantly, the regions had been used in the past by those at the centre struggling for power. The conflict between Yeltsin and Gorbachev, when Yeltsin encouraged existing Soviet centrifugal tendencies in his bid to undermine Gorbachev, typifies the way regional leaders can be drawn into battles at the centre. This time specifically, it was the impasse that developed between the president and the parliament on the issue of the constitution that required that the president go beyond the existing federal power structures to exert his authority. Each wanted to establish the support of the regional leaders in order break the deadlock at the centre. In August 1993, one Russian writer exclaimed that Yeltsin's attempt to create the Federation Council and "buy off the regional leaders...demonstrates that even Yeltsin today has an inkling of the illusory nature of his power in Russia today."¹ At that time, the Federation Council was seen by many as little more than Yeltsin's "legislative shill."² Paradoxically, however, recently the Federation

¹Aleksey Vorobyev, "Time for a Change of Team," *Rossiyskaya gazeta*. FBIS-SOV-93-165. 27 August 1993, p. 21.

Council has risen in Russian politics to the position of, arguably, one of Russia's most influential and powerful institutions. In particular, the governors within it combine executive powers in their regions as well as legislative functions through their membership in the Federation Council. This is significant, in that the strength of these regional governors provide Russia's regions with an effective voice in Russian politics at the center, potentially at the expense of the Duma.

It is the purpose of this thesis to explore the implications of the battle between the central executive and the legislature at the centre of Russian politics on the regional elite and to explain precisely how they have come to represent the so-called "third tier" of power. More specifically, I will examine how the power of the regions, once confined to forcing policy concessions from the centre, is now institutionalized in the Federation Council. Significantly, it appears that today the regional elite are becoming more and more autonomous actors, even relative to the period before the October crisis. The regional leaders often act entirely according to their own interests, without reference to or repercussions from the central government even when their actions or omissions clearly violate the Russian Constitution or democratic norms. In some ways, they are less vulnerable to influence from either the president or the parliament, despite the fact that the deadlock at the centre has considerably diminished since the October crisis. Although there still exists some degree of antipathy between the Duma and Yeltsin, the crisis situation that characterized the period before Yeltsin decided to disband the parliament, with each side governing as if the other did not exist, has ended. To this end, my hypothesis

²Peter C. Ordeshook, "Russia's Party System - Is Russian Federalism Viable?" in Post-Soviet Affairs. 1996, vol. 12, no. 3, p. 211.

is that the president and the parliament have used the regions in their bid to undermine each other. Agitating on behalf of their regional allies and attempts to coopt their regional opponents by offering policy concessions in exchange for support became the *modus operandi* of centre-periphery relations. In the process, however, and unintentionally, the regional elites have been placed in a position of extra-ordinary power, now largely beyond the reach of either the president or the parliament to such an extent that seldom does any reform or initiative from the centre that goes against the interests of the regions get implemented. This is even more paradoxical given that Yeltsin's constitution vested considerable power in the office of the president at the expense of the parliament.

The Federation Council is a useful case study in that its genesis was the period of the greatest executive-legislative conflict, which influenced the way that centre-regional relations evolved. It is a symbol of how Yeltsin brought the regional elite into the conflict at the centre, in order to legitimize his rule, by claiming to be acting in the interests of the whole of Russia. The Federation Council was also the centrepiece of his strategy to replace the Supreme Soviet with an extra-constitutional body comprised of regional leaders. Yeltsin claimed that it would be a legitimate body because it represented "Russia's" interests. After the October crisis, the Federation Council reflects well the change in centre-regional dynamics, as the source of regional power changed. This power, initially derived from the conflict at the centre, became power in its own right, independent of executive-legislative relations. Finally, the Federation Council and its relations with the president are illustrative of the larger dynamic between the regions and the centre. However, given that the Federation Council houses the governors, the most powerful regional actors, any discussion of the Federation Council is also a discussion of

the governors, who are the personification of regional power.

SOVIET DISSOLUTION AND RUSSIAN REFORM

From the moment of dissolution, the most pressing questions in post-Soviet Russian politics was the building of the new Russian state, including the development of an acceptable federal system atop the remains of the old Soviet system. Fraught with internal contradictions, the Soviet federal system always maintained its formal commitment to the principle of national self-determination on the one hand. Yet it disallowed outward expressions of loyalty to the titular nation, and actively pursued the russification of the many ethnic groups, on the other.

The period leading up to the break-up of the Soviet Union saw the emergence of nationalism on an unprecedented scale. Nationalism, in turn, was prominent in the independence movements that played a leading role in the dissolution process. Particularly for the “captive nations” within the former Soviet Union, nationalism was the culmination of decades of silent hostility to the center. As the battle raged at the center between the “reformers” and the “hard-liners” and between Yeltsin and Gorbachev, Yeltsin in particular actively sought to harness the momentum of the national fronts in the union-republics in his bid to undermine Gorbachev. The union-republics, perceiving the opening in the system and the paralysis at the center, used this opportunity to further their own agendas.

It was from the ashes of the former Soviet Union that the emerging Russian leadership sought to realize its vision of an independent state. The consensus that emerged as a result of the battles in the Soviet leadership, however, quickly fell apart as the moment of unity against the Soviet past evaporated in the face of an undetermined Russian future. Nevertheless, the initial fragile consensus allowed Yeltsin and his group of reformers to launch a program of

aggressive market reform as well as the further liberalization of the political system. As the dismal results of marketization and the growing political passivity of the public in terms of civil society became clear, however, agreement between Yeltsin and the increasingly conservative Supreme Soviet over the appropriate course of reform disintegrated. With each side seeking to usurp the other, Russian politics became characterized by an incomprehensible flurry of contradictory laws and decrees emanating from all sides. This paralysis at the center extended to every aspect of reform, be it political, economic, and social. This period, often referred to as the first Russian Republic, culminated in a violent confrontation between the president and the legislature that ended only after troops loyal to Yeltsin stormed the White House and forcibly repressed his opponents in 1993.

Since then, a constitution was adopted by referendum that endows considerable powers in the position of president as well as somewhat curtails the ability of the parliament to hold him accountable. The new Federal Assembly has as its upper house the Federation Council, comprised of two members from each of Russia's federal "subjects," the head of the regional executive and the head of the legislature. It was designed to give the regions an effective voice in federal politics, something that they lacked during the Soviet period and the first years after the dissolution. Although the regions were represented previously in the Soviet of Nationalities within the Supreme Soviet, their interests were still not particularly well represented given that their voice was often lost amidst the other, often ideological, interests that tended to dominate the Supreme Soviet. Theoretically at least, inclusion in the federal power structures was intended to give the regions a stake in maintaining Russia's territorial integrity. The fact that the executive heads of the regions are ex officio members in the upper house is problematic in

and of itself given the importance of a separation of powers. Having both legislative and executive functions, the regional executive heads have unprecedented ability to influence regional development and reform, almost to the point of being unencumbered by potential regional opponents. Also problematic is the fact that, until 1996, half the members of the Federation Council, the regional heads of the executive or governors were appointed by the president.³ Since 1993, however, the Duma and the governors themselves lobbied to hold gubernatorial elections, thus leaving Yeltsin without control over the governors and, by extension, the Federation Council. Now, the Federation Council is a relatively powerful, legitimate body, especially vis-à-vis a fragmented and somewhat ineffective Duma. The result is a decisive shift in the balance of power towards the regions, specifically, to the Federation Council and the governors within it. The question that concerns us here is: how has the power of the regions, once limited to forcing concessions from the center, become institutionalized in the Federation Council? Moreover, if the power of the regions was formerly derived primarily from the paralysis at the center, as many argue, how has the regional elite become largely beyond the reach of either the president or the Duma?

Organization, Approach, and Methodology

The body of this thesis will be organized into four chapters, with chapter one consisting of a review of the relevant literatures, including the literature on executive-legislative relations

³As a result of the disbanding of the regional soviets and the fact that many governors, although appointed, were not entirely supportive of Yeltsin during the period prior to the October crisis, however, Yeltsin decided that the first, provisional Federation Council would be directly elected. He did allow his appointed governors to run, though, and 60 were included in the first council.

and federalism. This will provide the theoretical basis necessary in order to interpret the events that ultimately led to the creation of the Federation Council and its role in political processes both before and after the October crisis. The second chapter will be organized chronologically, starting from the fall of the Soviet Union until the October crisis, and will focus on the way the regional leaders were brought into the conflict between Yeltsin and the parliament. Here we will see how the Federation Council was first introduced. Yeltsin tried to convene this body, comprised of the leaders of all the regional components, and vest in it the power to adopt a new constitution. Yeltsin's intent was to would break the deadlock by decisively shifting the balance of power in favour of the president. The next two chapters will each be organized around one piece of key legislation - the law on the formation of the Federation Council and the law on local self-government - debated since the Federation Council was inaugurated at the beginning of 1994. By examining these legislative debates, we can more closely see the interaction between the three forces - the president , the parliament, and the regions - when issues that are of concern to all three are at stake. These chapters illustrate the power of the regional leaders, particularly the governors, and the way in which they used this power to both safeguard their positions of privilege in the regions and ensure for themselves a permanent place in the Federal Assembly.

In terms of methodology, the second chapter will be an examination of the events that led to the October crisis. I will endeavor to determine the calculations behind the choices that were made by each of the actors involved and how these choices, once made, placed constraints on their subsequent choices. This chapter provides the necessary background for the subsequent two chapters in that it determined the resources that each actor brought to the political arena in

the battles that followed. The next two chapters will each focus on the analysis of one piece of legislation. These pieces of legislation were chosen in order to provide insight into the interests of each actor and their strategies. The analysis of their actions or inaction, statements or silence vis-a-vis these issues will be analyzed in order to demonstrate the constraints on their strategic choices and how these choices, in turn, determined the ultimate balance of power between the three forces.

All the chapters will be organized chronologically, as the *sequence* of events is crucial to determining what informed the choices that were made by each of the actors under discussion. Circumstances largely determined short-term strategic calculations and decisions made regarding the issue of the Federation Council. The magnitude and pace of reform since the dissolution of the Soviet Union meant that decisions were made quickly and usually with imperfect information. A full appreciation of the circumstances in which political elites acted and reacted requires that events be considered in sequence.

My approach asserts that the relationship that emerged between Russia's political actors closely resembles a power game in which all actors seek to maintain power or increase it. Since one actor's power necessarily means a reduction in the power available to other actors, the corollary is that the secondary motivation that conditions political actors' behaviors and choices is that other actors competing for power are potential opponents who must be undermined.⁴

⁴I say "potential" because in certain circumstances it may be beneficial to act in concert with others whose interests converge and so members of the same group are not considered to be opponents. In this case, for example, in many situations it was preferable for the 21 ethnic republics to work together to extract resources from the centre.

Only this type of power game heuristic explains the choices of Yeltsin and the other involved actors. There are repeated changes in alliances and policy, and actors show a propensity to engage in potentially destabilizing debates, demonstrates that actors will change their posture in order to accommodate short-term strategic choices.

The formal-legal rules of the state institutions are of little use in trying to explain what drives the choices and behaviors of Russia's political actors. The actors that emerged from the fall of the Soviet Union by-and-large chose to ignore the existing Soviet legal/institutional framework. If anything, then, it was the *lack* of any system of coherent formal-legal rules or institutions that guided the immediate post-Soviet period, as political actors struggled to have their interests represented in the emerging system. The rules of the game, both formal and informal, were very much in flux. Even the adoption of the new Russian Constitution in 1993 does not appear to have appreciably changed this situation. The constitution itself has not proven to be much of a deterrent to the regional leaders as frequently laws passed by the regional components flagrantly contravene the provisions of the constitution. Yeltsin as well has not been entirely immune to this propensity, as he too has passed decrees that have violated his constitution. Looking at the legal-formal level, then, cannot meaningfully explain political processes since, the political actors themselves are not constrained by them.

Approaches that stress the influence of the legacy of communist political culture as an explanatory variable similarly fall short. Proponents of a political culture approach argue that choices made by political actors are motivated by past experiences, regardless of prevailing

circumstances.⁵ In contrast, the opening of the political system has itself structured motivations and choices by prompting actors to adapt to the new system in ways that will ultimately benefit them. Because it is in their *interest* to modify their behavior, ascendant leaders will do so. In fact, they are ascendant precisely because they have adapted to suit their new environment.⁶

A similar approach asserts that actors behave according to the logic of an ideology. Ideology, then, becomes the independent variable that determines political outcomes by informing actors' decisions. Although ideology may play a role in structuring opposition and in determining potential alliances, it cannot be counted on to explain the many motivations that inform decisions made by political leaders. Approaches that stress either political culture or ideology would have a difficult time explaining why the deputies of the Supreme Soviet, originally supportive of Gaidar's plan for market reform, were ultimately vehemently opposed to it. Although this obviously is in part attributable to the dismal results of reform, undoubtedly it was also a reaction to their new accountability to the electorate and recognition of their representative role in the new system. In fact, that the Supreme Soviet became the prime opponent of rapid market reform testifies to the way in which actors adapt to new circumstances and structure their choices according to the logic of self-preservation.

ALTERNATE EXPLANATIONS

In terms of alternate explanations of regional power in Russia today, most argue that the

⁵See, for example, Ken Jowitt, New World Disorder: The Leninist Extinction, (Berkeley: University of California Press, 1992).

⁶See Barbara Geddes, "A Comparative Perspective on the Leninist Legacy in Eastern Europe," in Comparative Political Studies, July 1995, pp. 268-283 for an elaboration of this argument.

regional elite have taken advantage of the vacuum to spontaneously devolve both political and economic power to the sub-national level. Edward Walker, for example, argues that “Moscow continues to lack both the authority and the mechanisms to enforce its will in the hinterland.”⁷ The underlying assumption in most of these analyses of centre-peripheral relations is that the central political forces are devoid of the means with which to impose their will on the wayward regions. This assumption, however, is not entirely valid as it overlooks the considerable leverage that the centre has at its disposal. Control over federal transfers to the regions, for example, cannot be underestimated since many regions are dependent upon these transfers. Despite this, however, transfer payments have remained largely uninterrupted. Even among those who do acknowledge the power commanded at the centre, none have adequately explained why the centre has consistently failed to use the powers available to it (such as control over transfer payments, transportation, taxation, bilateral treaties, and in some cases, over energy supplies).

Steven Solnick, for example, describes federal politics as the “product of ongoing political bargaining between the federal and regional authorities.”⁸ He identified the tendency of the central government to “reward” those regions who were most vocal in their opposition, suggesting to him the centre’s attempts to “coopt” regional opponents. He also correctly points out that the centre has not been without its resources against the regions. He writes that,

[d]espite this catalogue of provincial bargaining assets, however, Moscow

⁷Edward W. Walker, “The Neglected Dimension: Russian Federalism and Its Implications for Constitution-making,” in East European Constitutional Review, Spring 1993, p. 27.

⁸Steven L. Solnick, “Federal Bargaining in Russia,” in East European Constitutional Review, Fall, 1995, p. 52.

was hardly at the mercy of its provinces. Since the Soviet state had been highly centralized, most administrative, communication, transportation, and information networks flowed to and from Moscow. Talk of regional autarky was mostly fancy.⁹

Although his explanation of bargaining strategies is convincing, Solnick fails to explain precisely why the central government has resisted using its powers to bring the regions into line. Surely the destabilising effect of the regional revolt on the central budget, among other things, indicates that there must have been a powerful reason for the centre's hesitance. Transfer payments, as mentioned above, are one way in which the federal authorities could conceivably influence the local elites, particularly as an average of 90% of the budgets of the federal subjects is derived from transfer payments. Moreover, the proportion of the central budget that is allocated to the regions has increased precipitously since 1992.¹⁰ The regions' success in securing a greater share of the federal budget suggests that those at the centre acquiesced to the demands of the regions as a result of Moscow's need to secure the support of the regions leaders. If the situation had been the reverse, if the regional proportion of the central budget had diminished instead of increased, that could be cited as evidence of the central authorities' pressure on the wayward regions. As it was, this was not the case. Despite frequent cases regions flouting the centre's demands, the centre still refused to try and cut the supply of federal funds, and even increased them. Yeltsin and the parliament, then, appear to be more *unwilling* than unable to exert pressure on the federation's units. That this tendency has continued even after the end of the period of paralysis at the centre suggests that this phenomenon cannot be

⁹Ibid., p. 56.

¹⁰Ibid., p. 54.

explained with reference to it and that the need to engender the support of the regions continues to this day. The question that begs asking is then: why have they consistently failed to use the resources they possess in order to reassert control?

In answering this question, some have argued that the threat of separation loomed large after the break-up of the Soviet Union had emboldened the regional elite, particularly in the ethnic republics. Bowing to pressure from the regions for greater autonomy, rather than taking a hard line with the regional elite thus is seen as a means of holding together the fragile Russian federation. Graham Smith, for example, argued that “in adopting an accomodationalist line, Yeltsin was in effect trying to deflect support for secession and so ensure the territorial preservation of the new Russia.”¹¹ This explanation, however, probably overstates the real potential for separation in most cases (with the notable exception of Chechnia). Most of the 89 federal components simply lacked the resources to realistically contemplate independence. As well, almost all of the units are surrounded by Russian territory. Finally, even in Russia’s nominally ethnically defined territories there was not a sufficient base of support to realistically or legitimately pursue separation.

To restate my main argument, both president and parliament competed to win the allegiance of the local elites in order to strengthen their respective power bases and, at the same time, undermine the power of the other. In other words, neither the president nor the parliament were willing to risk the wholesale defection of the regions to their opponents by

¹¹Graham Smith, “Federation, Defederation and Refederation: from the Soviet Union to Russian Statehood,” in Graham Smith, ed., Federalism: The Multiethnic Challenge. (New York: Longman, 1995), p. 170.

exerting undue pressure on the regional elites. In much the same way, policy concessions in the form of income transfers and devolution of power should be understood as a means of engendering the support of the regional leaders.

CHAPTER ONE

POLITICAL PROCESSES

If we accept that looking to formal institutions to explain political processes, at least until 1993, is problematic given that in Russia at that time institutions were undeveloped, how can we understand the forces that are at work in Russia, that have determined the emergence of Russia's new democratic system, especially its federal system? What motivates and constrains the choices made by Russia's primary political actors in this regard? These fundamental questions will be addressed in this chapter. To do so requires that attention be directed towards the political actors involved and the relationships that developed between them. In order to respond to these questions, I will elaborate a theoretical model that takes this essential fact into account. The "new institutionalist" theoretical framework adopted here is ideal for this purpose. Many proponents of this school of thought argue that "institutions develop the way that they do in response to the rational choices of self-interested actors."¹ These rational choices are themselves influenced by the institutional framework, meaning both the formal and informal "rules of the game," within which choices are made. Understanding how these two variables - choices and institutions - interact is the goal of this thesis.

Following from the many theorists like Philip Roeder and Steven Solnick, for example, who have used rational choice methods and assumptions, this approach can illuminate political

¹Jeffrey W. Hahn, "Introduction - Analyzing Parliamentary Development in Russia," in Jeffrey W. Hahn, ed., The Development of Legislative Institutions. (Armonk: M.E. Sharpe, Inc., 1996), p. 9.

processes and the strategies and motivations that guild the actions of the political actors that determine political outcomes. The underlying assumption here is that political actors make rational choices based on calculations of strategic interest, which itself is defined as the pursuit of political power. Rational behaviour, then, is defined as political decision making that seeks to maximize political rewards and minimize potentially negative consequences.² This extends to all decisions, from those regarding how institutions develop to include policymaking and coalition building. Rational choice theory, however, does not necessarily include assumptions regarding how power will be used but only assumes that, to be effective, political actors require political power. Gaining access to power or maintaining it, then, are assumed to be the primary motivations that guide political behaviour. Actors that claim to be driven by commitments to deeper principles or to be guided by altruism must still be concerned with and act according to the logic of power-games if only in order to see these principles realized. Yeltsin, for example, may seek to control political processes in the regions, and do so through less than democratic means, and at the same time console himself with the claim that his actions or misdeeds are done for the greater good - democratic or market reform. Since the choices regarding the development of institutions will develop are also made in this rational choice matrix, focussing on the Federation Council will bring these motivations and interests to the fore.

The Federation Council is the institutional byproduct of the ongoing battles between the regions, the executive and the legislature. It stands at the nexus of two of the most significant developments in Russia's transition: executive-legislative relations and centre-periphery

²Paul T. Hill, A Theory of Political Coalitions in Simple and Policymaking Situations. (Beverly Hills: Sage Publications, 1973), p. 11.

relations.

If my hypothesis is that the president and the parliament both used the regions against each other and in so doing placed them in a powerful position by including them in the Federation Council, we must first understand what prompted them to do so. This chapter, however, will not focus specifically on the Federation Council itself. Because this thesis is an examination of political processes more generally, namely executive-legislative relations and centre periphery relations, this chapter will be an elaboration of the literature on those developments rather than on the Federation Council per se. The Federation Council will be the focus of subsequent chapters in order to bring clarity to an otherwise theoretical model.

The questions that we are trying to answer here are: to what do regional leaders owe their current power? What has thus far structured centre-regional dynamics and how is this dynamic illustrated in the Federation Council?

The Dynamics of Federalism - Bargaining over the Spoils of Power

The Inheritance

The Soviet Union consisted of 15 union-republics;³ 20 autonomous republics, 16 of which were located within the RSFSR; 8 autonomous *oblasts*; 10 national *okrugs*; and 8 *krai*.⁴ All but the *krai* were organized at least nominally on the basis of ethnicity. The union-republics were accorded the highest status and concomitant powers of all the ethnic or territorial

³The union-republics are the now successor states. They include the RSFSR, Ukraine, Belorussia, Estonia, Latvia, Lithuania, Armenia, Georgia, Azerbaidzhan, Kazakhstan, Kirghizia, Turkmenistan, Uzbekistan, Tadzhikistan, Moldavia.

⁴Gordon B. Smith, Soviet Politics: Struggling with Change. (London: The Macmillan Press Ltd., 1992), pp. 131-132.

divisions. Article 72 of the Soviet Constitution even included provisions for the right of the union-republics to secede from the Soviet Union. Despite this, however, Soviet federalism was more fiction than fact.

During the process of Soviet state building, Lenin determined that, with such diversity, the USSR should be divided along ethnic-historical lines. In practice, however, power in the communist state was quite centralized, with most administrative dictates emanating from Moscow. The fact that the USSR was not a “true” federal system is testified to by the lack of meaningful regional representation in the Soviet system. Although the regions were represented in the Soviet parliament, which was technically considered to be the “highest body of state authority,” it was, in reality, considerably less. Its function can be more aptly described as a rubber stamp which is evidenced by the fact that it met only twice a year for a few days at a time.⁵ Since real power was concentrated in the Communist Party structures, attention must be paid to it in order to determine whether or not the regions had a voice or not.

In practice, the Soviet Union was a highly centralized state, with the Communist Party (CPSU) as the primary institution ensuring that it remain so. Because the CPSU was itself organized as a rigid hierarchy and predicated on the principle of democratic centralism, orders that emanated from Moscow flowed downward to the union soviets and below, with each level bound by each decision.⁶ The CPSU sought to diminish the likelihood of dissension in the ranks

⁵Stephen White, Graeme Gill, Darrell Slider, The Politics of Transition: Shaping a Post-Soviet Future. (Cambridge: Cambridge University Press, 1993), p. 39.

⁶Admittedly, not all decisions were followed without modifications occurring at the lower levels.

by promoting loyal party members in the periphery to the all-union party structures. Rather than provide the regions with real interest representation, then, the CPSU coopted regional leaders to ensure precisely the opposite: to diminish regional or particularistic interests.⁷ The collapse of the CPSU was significant in that it represented one of the central institutions in facilitating contact between the centre and the regions. If representation is the hallmark of federalisms, then the Soviet Union was not a genuine federal system. Understandably, once an opening was perceived, the union-republics and the Russian republics sought to actualize the autonomy that had been formally recognized in the Soviet Constitution. Even when Gorbachev instituted his sweeping political reforms during perestroika, however, this situation did not change appreciably.

Gorbachev's political reforms were intended to liberalize the political system and, to this end, he introduced the first semi-free elections. His reform strategy extended all the way to the upper echelons of power and was to more rigidly distinguish between party and state functions, with more power going to the state. In terms of regional representation, the "newly empowered" Supreme Soviet included the Soviet of Nationalities. The Soviet of Nationalities was comprised of representatives of the Soviet Union's most populous ethnic groups. The union-republics elected 7 deputies each to represent their interests, the autonomous republics elected 4 deputies each, with the autonomous *oblasts* and national *okrugs* each electing 2 and 1 deputy respectively.⁸ In addition to this, and suggestive of the importance of the union-

⁷Zvi Gitelman, "The Nationalities," in Stephen White, Alex Pravda and Zvi Gitelman, eds.,

Developments in Soviet Politics. (London: MacMillan Education Ltd., 1990), p. 151.

republics, Gorbachev created a presidential council composed of the heads of the union-republics called the Federation Council. Of course, this composition changed after the fall of the Soviet Union and the former union-republics no longer elected members to represent them in the Soviet of Nationalities. This formula, though, was maintained in the newly independent Russian Federation and lasted until 1993, when the parliament was dissolved. Although this represented a gain in terms of regional representation from past practices, the regional powers that were not included in the Supreme Soviet felt that they still had no meaningful voice in national politics and that the existing system was insufficient since it was they who were the best able to speak for their regions.

In economic terms, the relationship between the Soviet centre and the regions was even more centralized. Since all the country's assets were "owned" and controlled by the state (centre), revenues flowed from the centre to the regions. Economic decisions were made in Moscow or the regional economic branch offices, themselves controlled from the centre, and revenues from state owned enterprises were gathered in Moscow. Ultimate responsibility, thus, was owned by the centre. Also the system of budgetary transfers in place at the time of the collapse was undeveloped. Under the communist system, a large proportion of budgetary transfers went straight to the enterprises themselves or through the CPSU structures, bypassing altogether the lower levels of government. Since the provision of social services was primarily done through the enterprises and trade unions, a significant part of what otherwise would have been exercised by the local authorities was exercised by the enterprise managers. As a result,

⁸Gordon Smith, p. 135.

when the party was banned and the state owned enterprises lost much of their revenue, the remaining government structures were left virtually to fend for themselves. with no established mechanism through which to demand federal financing in order to provide for the services that once were guaranteed by Moscow.

The system that was inherited from the communist era, then, left little to facilitate relations between the regions and the centre. The collapse of the CPSU and the command economy meant that institutions had to be established through which to structure these relations, both politically and economically. As Russia entered this state building phase, everything to do with the development of government structures or how interests would be represented in the new system became highly politicized as the ascendent economic and political elites struggle over the division of power.

Conflicting Interests in Developing the New System

Seven years after the collapse of the Soviet Union, Russia's federal system is still not fully developed. The establishment of a precise, institutionally bound set of guidelines governing centre-regional relations has yet to be fully articulated. Power delimitation between the centre and the components, and the components and the municipalities is not yet complete and the process of negotiating bilateral treaties with individual components is ongoing. Moreover, it is still to be determined what takes precedence: component laws and charters, the Russian Constitution, or the treaties themselves. Significant given that, often, they contradict each other.

The essence of all federal systems is power sharing between the national and the sub-national governments. This division of powers is usually formalized in written constitutions, but may also be included in separate pieces of legislation. An important element of this is the

consensual approach that must be adopted. To be stable and enduring, powers can neither be entirely passed down “from above” or taken down “from below.” Rather, attention must be paid to the differing capacities of each level and responsibilities and powers determined accordingly and with the agreement of all parties. Even within “stable” systems, many who write on federal systems stress their dynamism and propensity to change and develop as the situation demands. How federal systems deal with these changes and accommodate diverse interests are crucial elements of state legitimacy and stability.⁹

William Riker defines federalism as “a political organization in which the activities of government are divided between regional governments and a central government in such a way that each kind of government has some activities on which it makes final decisions.”¹⁰ Typically, national governments have under their exclusive competence things such as national defence and currency, with the lower levels exercising control over social policy, such as education and health care. Lijphart distinguishes five issues that must be resolved in order for federalisms to function:

1. A written constitution within which the division of powers must be formalized and guarantees regarding their inviolability included.
2. There must also exist a bicameral legislature, with one of the chambers representing the interests of the federation components.
3. Changes in the division of powers must be done only in consultation with the components and components have the right to unilaterally amend their own charters or constitutions.
4. Components are represented equally in the national legislature.

⁹Michael Burgess, “Federalism and Federation - A Reappraisal,” in Michael Burgess and Alain-G. Gagnon, eds., Comparative Federalism and Federation, (Toronto: University of Toronto Press, 1993), p. 10.

¹⁰Quoted in Arend Lijphart, Democracies, (New Haven: Yale University Press, 1984), p. 170.

5. Government functions must be decentralized.¹¹

Using this list as an approximate guide to Russia's progress with the establishment of its federal system, we can see that in many areas it is still lacking. Most fundamentally, the division of power between the levels of government has yet to be determined and is proceeding through a protracted process of bilateral treaty negotiation. Moreover, until 1993 with the adoption of a new constitution, the regions were not adequately represented in the legislature. This brings us to an assumption that pervades most of the literature on federalism: most authors tend to assume an already established system, and so do not focus on the developmental period of federations when the division of powers is first being formalized. In Russia, both the formal/structural elements of federalism and the less formal, "rules" of federalism are still in the process of being articulated. Our attention, then, must be on the period preceding the consolidation of the system and on the way the diverse interests that are usually present in federalisms are represented in emerging systems. The resolution of these issues entails a certain amount of bargaining between the interested actors, who may have conflicting interests. Alain-G. Gagnon writes that "institutions can be seen as arising out of politics, the genesis of institutions resulting essentially from the conflicts and power struggles of economic, societal and political actors."¹²

Often, disagreements arise over spheres of influence, representation, and financial

¹¹Ibid., pp. 170-176.

¹²Alain-G. Gagnon, "The Political Uses of Federalism," in Michael Burgess and Alain-G. Gagnon, eds., Comparative Federalism and Federation. (Toronto: University of Toronto, 1993), p. 5.

resources, to name but a few. Ideally, as pointed out by Daniel Elazar, “federalism is more than an arrangement of governmental structures: it is a mode of political activity that requires the extension of certain kinds of cooperative relationships throughout any political system that it animates.”¹³ Adam Przeworski, by contrast, writes that within federal systems there exists a divergence of central and regional interests that may result in conflict. While the centre usually seeks to ensure that state administration can be done effectively from the centre, the regional players generally aspire to greater and greater devolution of power.¹⁴ Of course this is a generalization that perhaps exaggerates federal systems’ built in potential for conflict, given the almost endless number of federal states that have encountered destabilizing centrifugal/decentralizing tendencies, however, this generalization does appear to have some merit and certainly is apt in the Russian case. If federalism is designed to mediate these potential conflicts through its institutions that give expression to diversity, then the absence of these institutions may preclude effective conflict management in the state building process? The process of articulating a new federal arrangement brought all these issues, including how the regions were to be represented in the new system, to the fore and necessitated a type of bargaining between the political actors involved as each sought to have its interests represented in the best way possible.

Peter Ordeshook writes that most federal systems contain an element of antagonism

¹³Daniel Elazar, American Federalism: A View from the State, (New York: Harper and Row, 1984), p. 2.

¹⁴Adam Przeworski, Sustainable Democracy, (Cambridge: Cambridge University Press, 1995, p. 25.

between the centre and the federal units, and this results in a type of negotiation as spheres of influence are being established.¹⁵ Ordeshook correctly points out that this bargaining game must be maintained by the presence of legitimate and consistently observed constitutional norms.¹⁶ In the Russian case prior to the adoption of the constitution in 1993 and even beyond, this essential precondition of stability was notably absent. Moreover, since Russia has only a few regions that have experienced a net gain in terms of standard of living since the fall of the Soviet Union, conflicting interests abound. Without the moderating effect of a widely accepted constitution to determine the rules of the game, the political actors at all levels were free to act entirely in their own interests without the confines of either constitution or laws more generally. Under these circumstances, bargaining between the levels of government was taken to a new level as each actor used whatever resources available to realise their desired outcome.

These types of conceptualizations make certain assumptions not only about the division of power between national and regional governments but also about the central governments themselves. Orthodox theories of federalism stress that centre-regional relations proceed according to the logic of the formula $N + 1$, where "N" refers to the undefined number of federal units, who must bargain with "1" national government. In Russia, by contrast, particularly in the first period of reform from 1991-1993, this model was not descriptively accurate. Instead, with two forces competing for power at the centre, centre-regional bargaining proceeding according to the logic of $N + 2$. This is significant in that it determined the

¹⁵Peter C. Ordeshook, "Russia's Party System: Is Russian Federalism Viable?" in Post-Soviet Affairs, 1996, 12, 3, p. 200.

¹⁶Ibid.

strategies adopted by all sides. Moreover, theories of federalism tend to assume that regions are *already* represented in the legislature. These two elements - conflict at the centre and the fact that regional leaders were somewhat outside the “game” - determined the nature and development of centre-regional relations.

Those who write on transitions from authoritarian systems may be better equipped to account for the dynamics of emerging federalisms. Adam Przeworski, for example, writes that, when transition weakens the cohesion of the centre’s institutions, this “provides a context in which regionally based nationalists can effectively mobilize to promote an autonomy movement.”¹⁷ He argues that this is not the inevitable consequence of democratic transitions, but rather that, in situations of scarce resources and conflict at the centre, regional or ethnic nationalism may follow, particularly if it is seen as a potentially useful tool in the bargaining over resources. He further argues that, if the centre is to be effective in quelling these potential threats to the territorial integrity of the state, it must make “credible threats” that it has both the will and the means to take decisive action. In the Russian case, with the division between the executive and the legislature, the will in particular was notably absent.

If ideology and disagreement regarding the speed and direction of reform led to the ultimate division between the president and the parliament, the choice of a presidential system probably facilitated this process. Many scholars who have written on the dynamics of presidential systems have noted its propensity to instability and deadlock.¹⁸ Juan Linz has argued

¹⁷Przeworski, p. 22.

¹⁸See, for example, J. Linz and A. Valenzuela, eds., The Failure of Presidential Democracy: Comparative Preferences. (Baltimore: Johns Hopkins University Press,

that presidential systems have several tendencies that may hinder the consolidation of democracy in transitional political systems, including conflict or even dual power between the executive and legislature. He also points out that presidential systems are less suited to the development of the political parties that themselves help to mediate relations between the executive and legislature.¹⁹ This certainly seems to have been the case in Russia, with the parliament and the president unwilling to work constructively and with few institutional mechanisms to facilitate this process.

While in parliamentary systems, the head of the executive is simultaneously a member of the legislature and a member of the governing party, in presidential systems, the head of the executive is not dependent on the support of her/his party since she/he is directly elected for a set period. Jean Blondel, citing the example of several Latin American countries, remarked that in transitional presidential systems, the head of the executive may be prompted to use the prerogatives of her/his office to bypass altogether the legislature rather than work through it to legislate. Presidents, thus, are not subject to the same motivations as their counterparts in parliamentary systems to promote a constructive relationship with the legislature.²⁰ Where in the one case, survival dictates that the head of the executive work to maintain the support of the legislature, in the other, this is not the case and the concentration of power that occurs in

1994).

¹⁹Linz in Gerald M. Easter. "Preference for Presidentialism - Postcommunist Regime Change in Russia and the NIS." in World Politics. Vol. 49 (January 1997), p. 185.

²⁰Jean Blondel. "Dual Leadership in the Contemporary World," in Arend Lijphart, ed., Parliamentary Versus Presidential Government. (Oxford: Oxford University Press, 1992), p. 172.

presidential systems provides a ready alternative - to go around parliamentary opposition.

Gerald Easter, in his discussion of the dynamics of institutional choice writes that “[i]nstitutional choice is depicted as a strategy by which elite actors seek to gain access to the power resources of the state.”²¹ The literature on transition to democracy argues that institutions develop according to the strategic interests of those actors empowered to make these decisions figures prominently in. In this case, Easter argues that presidentialism was the preferred choice for those actors who were motivated to maintain their control over the state’s resources and, at the same time, deny access to competing actors. Easter discovered that in cases where there occurs a continuity of political elites during the transition phase, “old regime elites” safeguarded their positions through the choice of presidentialism. So in Russia, because of the persistence of the “old regime elites,” institutions were chosen in order to ensure that power was not dispersed throughout the system, but rather remained in the hands of those who had formerly been the political elite. Just as the choice of presidentialism in Russia was a rational one, based on calculations of access to power, so too were the choices that were made that ultimately led to the Federation Council rational ones, with the goal being political power.

N + 2

The question that concerns us now is: how was centre-regional bargaining determined by this N + 2 federal relationship and the lack of regional representation? The theoretical basis that I will be drawing on to answer this question is new institutionalism. Essentially this approach argues that institutions develop according to the logic of the strategic choices of

²¹Gerald Easter. “Preference for Presidentialism - Postcommunist Regime Change in Russia and the NIS,” in World Politics. Vol. 49, (January 1997), p. 184.

political actors that themselves are motivated by self-interest. The focus, then, is on the emergence of institutions, defined here broadly as the “rules of the game,” both formal, as in constitutions, and informal, as in the unspoken rules about political processes as agreed upon through a process of de facto bargaining among political actors. New institutionalists are also concerned with the influence that institutions, once established, have on actors’ subsequent choices. In this respect, institutions are dependent as well as independent variables in that certain strategic choices will play a determining role in the initial emergence of institutions but that, once established, these same institutions will shape subsequent choices. Transitional systems, therefore, are particularly well suited to new institutional studies as it is usually in the process of state-building that these rules of the game, both formal and informal, emerge.

Philip Roeder, in his seminal work on Soviet political processes, articulated a model through which the institutions that influenced political choices could be identified. He proceeds from the assumption that the rules of the game or patterns of political processes emerge “from bargains among empowered actors” and, further, that these rules “take on a life of their own to constrain the actors’ subsequent choices.”²² In other words, the rules of the game, once established through a process of de facto negotiations between political actors motivated by self-interest and self-preservation, become the basis for “normal politics.” In this case, I will try to demonstrate how the choices made in the first period of reform, from 1991-1993, in many ways determined the course of centre-regional relations in the subsequent period.

Although I intend to draw upon Roeder’s model for the basis of this analysis, given that

²²Philip Roeder, Red Sunset - The Failure of Soviet Politics. (Princeton: Princeton University Press, 1993), p. 23.

the institutional environment in Russia has changed with the political reforms, the model must be altered somewhat to account for these changes. Obviously, when discussing the authoritarian Soviet Union, Roeder had no need to include in his analysis the function of elections and universal suffrage. This represents a significant change and must be considered even if the quality of democratic reform to date is questionable. In the following elaboration of Roeder's theoretical model, I will thus make the appropriate changes in its application to the present situation.

In his book Red Sunset, Roeder conceived of a model that described the relationship between political actors in the "first tier," those who direct the policymaking process and actors in the "second tier" or the "selectorate," those who are in positions to influence political outcomes and even to "select" who prevails in leadership struggles. This model, designed to examine Soviet politics, describes the process whereby the actors in the first tier, prospective General Secretaries, in their bid to consolidate leadership are prompted to build coalitions in order to provide a power base on which to wield power. Consolidating individual power requires the support of certain key constituencies. Those that make up the leadership of these constituencies are collectively the second tier. Moreover, often the leaders of these constituencies are themselves empowered by those who want them to positively influence political outcomes. This, however, creates a situation of "reciprocal accountability" or mutual dependency where the leader is vulnerable to the people in those key positions that allowed him or her to assume the leadership position by supporting her or him and selectors are vulnerable

to those who empowered them.²³ Unlike Roeder's model, I will include in my analysis one additional tier - the "third tier". This tier represents the electorate and is necessary here given that Russian actors must now be popularly elected. The presence of this third tier changes the dynamic between the first and second tier because the actors in the second tier, like the regional leaders, will use their relative proximity to the electorate as a bulwark against encroachments by actors in the first tier. The ability to manipulate the electorate, therefore, is included in the arsenal of political resources that the second tier has at its disposal.

The First Tier

Contrary to the literature on federalism, this model assumes the presence of at least two conflicting forces competing for political power at the centre of politics. It also assumes that this conflict does not express itself through normal democratic channels because there are no "institutionalized" means of resolving conflict between the different levels of power. The president and the Duma have espoused opposing positions of the fundamental ordering of the state. This antagonism was exacerbated by the absence of mediating institutions, like political parties, through which to build a constructive relationship. The actors in the first tier, in this case the president and the parliament, who are the prime policy makers are thus prompted to build coalitions in order to gain for themselves policymaking prerogatives.

In the introduction to his book, Jeffrey Hahn defines his criteria by which emerging democratic institutions, specifically, legislatures, should be judged. Although he deals expressly with legislatures, his general observances can be extended to include democratic institutions

²³Ibid., p. 24.

more generally. Central to his definition of effective legislatures is the concept of “institutionalization” taken here to mean that for an institution to function there must develop corresponding “ways of doing things, the establishment (and acceptance) of specific rules and procedures...”.²⁴ Russia, from the collapse of the Soviet Union to at least 1993 when Yeltsin passed his constitution, can be considered to have not had “institutionalized” democratic institutions. A clear delineation of authority between the president and the parliament; between the regions and the centre; between the components and the local authorities had not yet been defined. This notable absence influenced virtually every sphere of Russia’s political system as reform and state building proceeded simultaneously adding to the difficulties inherent to revolutionary change. Political processes, from the federal system to the development of institutions that mediate relations between the state and society were governed by undeveloped and ineffective institutions.

In terms of executive and the legislature specifically, the establishment of a stable, institutional basis of power was delayed due to the protracted debate surrounding the drafting of a new constitution. In the interim, the old Soviet constitution was amended, but badly. Where the provisions of the old constitution did not recognize the position of president, it was quickly amended to reflect this change. The result, however, was an unclear and often contradictory division of powers between the legislature and executive, both of which could legitimately claim a democratic mandate.²⁵ While the initial consensus between Yeltsin and the Supreme Soviet

²⁴Hahn, p. 6.

²⁵Ibid., p. 12.

rendered this an acceptable situation, once this consensus began to break down, there was no institutional means of conflict mediation.

The situation that resulted from this lack of stable, enduring institutions, including even a legitimate constitution until 1993, was exacerbated further by the lack of a mature political party system. Thomas Remington, in his discussion of legislative-executive relations from 1990 to 1993, pointed out the absence of a working relationship between Yeltsin and the Supreme Soviet. He links this phenomena to the lack of a strong political party structure, "without a party or coalition organizationally dependent on his success, neither he nor the government he appointed could draw upon a significant base of support in Congress..."²⁶ According to Remington, Yeltsin consistently failed to build a strong base of supporters in the legislature, preferring instead to limit the extent to which the legislature could influence the policymaking process.²⁷ This tendency is equally evident today as Yeltsin has persisted in his rule by decree.

Yeltsin, then, tried to simply "go around" the obstructionist parliament. Lilia Shevtsova sees the dysfunctional relationship between the executive and the legislature as paramount in Yeltsin's "attempt to replace the existing political system with his 'presidential vertical,' excluding other political bodies from the decision making process."²⁸ In other words, Yeltsin

²⁶Thomas F. Remington, Steven S. Smith, D. Roderick Kiewiet and Moshe Haspel, "Transitional Institutions and Parliamentary Alignments in Russia, 1990-1993," in Thomas Remington, ed., Parliaments in Transition: The New Legislative Politics in the Former USSR and Eastern Europe, (Boulder: Westview, 1994), p. 170.

²⁷Thomas F. Remington, "The Russian Parliament in Transition," in Jeffrey W. Hahn, ed., Democratization in Russia, (Armonk: M.E. Sharpe, 1996), p. 126

²⁸Lilia Shevtsova, "Parliament and Political Crisis," in Jeffrey W. Hahn, ed., Democratization in Russia, (Armonk: M.E. Sharpe, 1996), p. 36.

demonstrated his lack of regard for legislative processes by designing institutions to enable him to bypass the legislature altogether rather than work towards building a working relationship with it founded on respect and a mutual recognition of legitimacy. In this the legislature is equally guilty as it repeatedly has demonstrated its disrespect for Yeltsin and the government with threats of a no confidence vote.²⁹

As a result, governing or realizing their differing policy preferences, therefore, required less orthodox methods such as the building of coalitions which are designed to both supplement one's own power base while at the same time undermining the power of one's opponent by building support in certain key areas. Since Yeltsin and the parliament often advocate opposing policy prescriptions, supporting one entails opposition to the other. Since neither the president and the parliament completely control the instruments of power and since they are often not able to reach a consensus, they have been forced to widen the arena in which political battles are waged.

Eugene Huskey in his discussion of executive-legislative relations writes,

In contrast to democratic regimes...the Russian political system forces the President to create ruling coalitions from among an array of extra-parliamentary political forces, such as the regional elites, industrialists, and the military.³⁰

What is significant here is the absence of "traditional" or more "democratic" means of ensuring presidential authority. Huskey lists among those elements that are lacking a legitimate constitution, tradition itself, and the support a president usually enjoys in parliament. It is

²⁹Ibid., p. 39.

³⁰Eugene Huskey, "State-Legal Administration and the Politics of Redundancy," in Post-Soviet Affairs, 1995, Vol. 11, no. 2, p. 116.

precisely because Yeltsin does not control the instruments of power, including the government apparatus itself as Huskey points out, that Yeltsin is forced to engage in a complicated and socially costly process of building support among the regions. He is essentially required to find extra-parliamentary methods to enforce his will and this includes cultivating corporatist type arrangements with those sectors in society where power resides. So, for example, the military and the so-called power ministries are essential allies to the president who cannot rely on the parliament to resist extraordinary measures in its bid to usurp Yeltsin's power. This was at no time more evident than during the October crisis when, had the military not supported Yeltsin, the Russian political landscape would probably be considerably different now.

The Second Tier

Potential coalition members are confined to those actors in the system where significant power also resides. These actors, distinct from the policy makers in the first tier, reside in the second tier and are collectively called by Roeder the selectorate in that, by supporting one over the other, they essentially "select" who prevails in the battle for control over the direction of policy or even the policy making process itself. The selectorate, then, is made up of certain key constituencies without the support of which a potential leader cannot consolidate power and see their policy preferences realized.

The nature and composition of the selectorate has changed in several ways since the dissolution of the Soviet Union. Since Russia has now a nominally democratic system, the selectorate has expanded to reflect this change. He is prompted to search for a broader coalition that reflects the now more diverse sources of power beyond the power ministries. Paramount

here, though, is that the selectors be empowered and able to use this power to effect decisive change.

One of the most important constituencies in Russia to date and the one that concerns us most here has been the regional elite. During the period of dual power, the regional elites were brought into the conflict as each side sought to secure their alliance in the battle for control. Their primary demand was to be represented at the national level. Regional representation in federal politics thus became highly politicized, even to the point of using it as a bargaining chip. Promising the regional leaders a voice became a means of establishing their support. Because the regional elites were such an important constituency, then, guided by the logic of the relationship between first tier actors and those in the selectorate, the regional leaders were placed in positions of considerable influence in the regions.

Mutual Accountability/Dependence and the Third Tier

Those in the selectorate, however, are cognisant of their relatively powerful position and so can demand policy concessions from those in the first tier seeking their allegiance. Policy concessions can come in the form of greater access to power or resources through their influence over the policymakers. It is the goal of both the first and second tier that those in the selectorate are able to consolidate power within their own sphere of influence. It is not enough that the first tier actors find coalition partners, they must be sufficiently powerful to be able to command the support of their own constituencies and enact change in the wider arena.

On the other hand, though, the selectors are not entirely unaccountable to the leader(s) in that, first tier actors will try to control their selectors using a variety of methods. The most

direct and usually the most effective is through judicious use of appointments. By appointing those that are in a position to influence the ability of the first tier to direct policy, they gain a certain amount of independence. Roeder writes that this dynamic can be “nonsynchronous” in that at times the first tier is relatively more dependent on the second tier and at times the reverse is true. On the other hand, the selectors will use whatever resources available to them to undermine the first tier actors’ ability to control them, thus strengthening their bargaining position. It is possible, then, that the first tier actor(s) will lose any control they may exercise over their chosen selectors. The likelihood of this occurring is particularly strong in a democratic system with the presence of an electorate that defies this type of corporatist cooption. The presence of the third tier or the electorate is significant here and can change the dynamic between the first tier and the second.

The Third Tier

What distinguished the selectorate in an authoritarian polity, such as the Soviet Union as described by Roeder, from that in a democratic system is that in the former only a small segment of society must validate the choice of a leader. By implication power is dispersed throughout the system and is not, as it may appear, completely concentrated in one position. In the case of the Soviet Union, despite the lack of recognized, institutionalized channels of interest articulation, there did exist certain organized interests that were very effective in lobbying the political leadership. Although this has not changed since Russia’s democratic reform, the selectorate is no longer confined to an elite group but rather now includes the electorate. This does not mean, however, that in terms of policymaking, there is not a small elite who are the

more immediate and perhaps the more influential selectorate and so direct the policymaking process more so than does the electorate.

Where post-Soviet Russian politics differ from most established democracies, then, is in the relationship between the state and society. In other democratic systems, citizens seek to hold politicians accountable for their actions or omissions by more than simply voting. Although other democratic systems have powerful interest groups that influence policymaking, often these groups themselves are representing the interests of segments of the population. The NRA in the United States, for example, undoubtedly has had a profound influence on policy. This organization, though, represents the interests of many American citizens. In Russia, by contrast, there are very few links between the electorate and their principal agents, particularly in Yeltsin's case. Where citizens in a consolidated democracy are empowered through participation in political parties or civil society more generally and in that way seek to hold policymakers accountable, citizens in Russia cannot access the levers of power so directly. Yeltsin in particular has consistently failed to identify himself with a specific party, preferring instead to hold himself somewhat above the political fray. As well, because the deputies that individuals vote for have, at times, has precious little control over the legislative process themselves, the voter does not have the ability to influence those in power to the extent that much democratic theory would hold. It is precisely because of the weakness of the link between society and the state that allowed or even necessitated the development of a form of politics where those governing are more accountable to members within the ruling apparatus than to the electorate.

The reverse of this relationship, that Yeltsin in particular is unable to directly access the

electorate is also very significant. Even though policy may be directed by a small elite, as long as a commitment to the principals of democracy is maintained, first tier actors intent on getting or keeping power are still ultimately dependent on the electorate. Calculations of power and policy, therefore, must be distinguished here. Because the first tier actors are also dependent on the selectorate, they are unable to manipulate policy in order to establish the support of the electorate. In this way, increases in the military budget are explicable in a time of reduced resources. By contrast to the first tier actors, however, the regional leaders are not so isolated from the electorate. The relationship between the three tiers, then, is ordered hierarchically with the direct links from the first tier to the third being the weakest. This changes the dynamic between the first and third tier in that pressure from the third tier, the electorate, diminishes the ability of the first tier actor(s) to control the second tier, the regional leaders, through appointment or other levers of influence, such as resources. Because the goal was to empower those in the selectorate and, thus, to allow or encourage them to consolidate power in their constituencies, the selectors exercise undue influence over their constituencies. But if their constituency includes the electorate, then this third tier acts as a brake on any recriminations against the second tier actors for withholding support. In fact, this dynamic encourages the second tier actors to try and mobilize the third tier against the first in order to make credible any threats the second tier might make in terms of their ability to control the electorate. In terms of the dynamic within the regions and the possibility for power battles there, whoever prevails would be in the best bargaining position vis-a-vis the first tier. Within the regions, actors may secure their position either through elections or otherwise gaining control over the region and

its policy-making process by themselves building coalitions of power. In this way, the dynamic within the regions parallels the dynamic in the first tier.

In other words, empowering the regional elite and enabling them to influence the electorate had the effect of increasing proportionately the dependence of the first tier actors on them. Since we are concerned about federal relations and on what the power of the regions is based, attention must be paid to this disjuncture between the centre and society. If centre-regional relations is guided by a type of bargaining over the final division of powers in the new state, when determining the outcome of this bargaining process attention must be paid to the resources each actor has at their disposal. Obviously, the second tier's ability to influence the electorate represents a significant resource, one that can be used to extract concessions from the first tier. In this way, the relationship between the state and society or, more precisely, between the actors at the first tier and society is a crucial variable.

The story does not end there, however. In the event that the actors in the first tier perceive this change in the balance of power, they are not inclined to passively accept that they have no levers of influence. Once one actor in the first tier has consolidated power, such as occurred in Russia after the October crisis, the relationship between the leader and the selectors, in this case the regions, more closely resembles the $N + 1$ configuration that typifies most federal systems. This allows the first tier actor to use the prerogatives of policy making in order to try and change the balance of power amongst the selectors. Much like Machiavelli envisaged that each power must be counterbalanced by another, the first tier actor will move to change the balance of power in the selectorate by empowering another, one able to check the power of the

existing selectors. In this game, institution-building proceeds according to the logic of calculations of strategic interests as each actors seeks institutional advantage to gain for themselves the spoils of power.

To sum up, in situations of dual power or leadership struggles, the actors in the first tier are prompted to seek alliances among empowered actors in the second tier. If successful in this, collective leadership turns to directive leadership to use Roeder's terminology. Even in periods of directive leadership, however, the first tier actor may be vulnerable to the second tier actors that allowed him or her to consolidate power. Empowering them during collective rule may constrain the subsequent ability of the first tier actor to manoeuvre. This is particularly likely in an emerging democratic system, where the leader must also be validated by the electorate in the third tier. As a result, the first tier actor will try to use his or her control over the policymaking process to somehow counterbalance the second tier actors.

CHAPTER TWO

GENESIS OF THE FEDERATION COUNCIL

Introduction

The relationship between the centre and the regions in Russia was rooted in the search for a new political space to fill the void left with the end of communism. Without a firm institutional basis on which to reorder society, the rules of the game have been in the process of articulation since the fall of the Soviet Union. Where Yeltsin and the parliament differed in their level of commitment to market reform, the centre and the regions differed in the type of federal system that was to be adopted. Centre-periphery relations were further complicated by the fact that many in the regions were not entirely committed to market reform and so sought to as much as possible remove themselves and their regions from the centre's grip. In the battles that ensued, each actor or group of actors used the resources available to them to achieve their ends. The result was a protracted period of instability as the president and the parliament were unwilling to work constructively with each other, preferring instead to undermine each other. This process was made all the more significant because the way these issues were resolved or continue to be resolved will determine the fundamental principles by which Russia and Russians will live.

To break the deadlock that threatened the stability of Russia's emerging system, both the parliament and the president went outside the institutional confines at the centre and sought to bring into the political game other actors. Of course, to politicize the previously disenfranchised was not enough. What was essential here was to empower these other actors so that they may effectively tip the balance of power. Just as Gorbachev extended the vote during *perestroika* in

order to rid himself of the rigidities of the Soviet system, Yeltsin and the parliament both widened the political arena to include the regional elite.¹ These early choices, however, were not without implications. By empowering the regional leaders, by vesting in their hands the power to break the deadlock, they created a very powerful force, able to influence political processes not just in their regions, but also at the centre. In fact, the level of independence gained by the regions allowed them to move almost completely beyond the influence of Moscow, often to the detriment of their home populations as several of the components have begun to more closely resemble small, authoritarian states than democracies.

This issue of the delimitation of powers between the components and the centre is a difficult one in many ways. Arguably, the development of a genuine federal state demands that even more powers be devolved to the regions. In Russia today, however, many of the reforms that are being implemented must be implemented country-wide in order to be effective. Perhaps at issue is not the ultimate division of powers per se but rather the need to find some type of consensus amongst all of Russia's many political actors on the direction of Russian reform and, more fundamentally, what type of state they wish to live in in the future. Seen from this perspective, without a general consensus, Russian reform will be paralyzed, unable to proceed and become consolidated. Unfortunately, no such agreement exists. In an atmosphere where compromise is seldom reached, every calculation is based upon the simple desire to concentrate as much power in one's own hands and the hands of those who are in positions to positively influence political outcomes.

¹Roeder, p. 219.

This chapter will trace the genesis of the Federation Council by examining the events prior to the October crisis. I will argue that it was in this early period of reform that interests were being first developed and that the future rules of the game were articulated. Today, the power of the regions is beyond question. The genesis of this power lies in the period that preceded the October crisis as each the president and the parliament in its turn clamored for the support of the regions, raising them to unprecedented heights of power and influence.

Bringing the Regions In

Yeltsin's bid to empower political actors that were accountable to him began early in the reform process, even before the struggle for control over the policy making process between he and the parliament began. Perhaps sensing the possible opposition to his reform in the regions and hoping to centralize the process of reform, Yeltsin created a "presidential vertical."² Proposed in 1991, it was initially intended to be only temporary and was designed to ensure the compliance of the regions in the crucial early stages of reform. Yeltsin's decree on November 1, 1991 "On the Organization of Executive Power in the Period of Radical Reform" established a system whereby he was empowered to appoint and remove the regional administrative heads, also referred to as governors, in order to oversee the reform process in the regions. Presumably, since they were appointed by Yeltsin, these governors would be loyal to him without the added incentive of policy concessions. In order to place them in positions of power, the powers of the soviets, the legislative branch of regional government, were significantly curtailed.³ To illustrate

²The term "presidential vertical" is often used to describe Yeltsin's chain of appointees.

³Shevtsova, p. 47.

the extent to which Yeltsin sought to subordinate the regional appointees, Chief State Inspector Valerie Makharadze listed their priorities as “1) devotion to the cause of the Russian president; 2) professional competence; and 3) ability to command the support of a considerable part of the population in the given region.”⁴ Yeltsin thus raised the status and power of the executive branch at the local level and even managed to postpone the elections of the executive branch in order to maintain his appointees.

At the same time, on August 11, 1991, Yeltsin established the position of presidential representative [*predstaviteli prezidenta*] to the regions with his Decree No. 75 “On Certain Questions Concerning the Activity of the Organs of Executive Authority in the RSFSR.” The provisions of this first decree allowed representatives only in Russia’s 68 non-republican components. Yeltsin moved quickly to fill these positions, issuing two decrees on August 24 and September 24 that appointed between them 29 representatives. These initial appointees were all members of the Congress of Peoples’ Deputies. The method that was chosen to select them was an analysis of roll call votes to determine their prior loyalty to the president and his policy directives.⁵ On September 2, Yeltsin issued a decree that tried to institute a similar position in the 21 republics.⁶

Those in this position were to be Yeltsin’s “eyes and ears” in the regions but the result was

⁴Quoted in Roeder, p 91.

⁵I.M. Busygina, “The President’s Representatives,” in Russian Politics and Law, January-February 1997, p. 17.

⁶Despite his intention to establish a representative in each republic, in only a few did they accept this presidential representative.

often friction between them and the also appointed governors that, to a certain extent, the presidential representatives were to monitor, although technically not to intervene. Yeltsin's reliance on them to perform this function was evidenced by the fact that he met with them as often as once every month.⁷ Fearful that the speed and magnitude of his reform package would cause widespread turmoil in the regions, he created this institution to ensure that the office of the president would be present in every region.

These institutions were created in 1991, when relations between the president and the parliament were more or less stable. They were created in order to ensure that the reforms that emanated from the centre were implemented in the regions. But when relations began to break down between Yeltsin and the parliament, there was no institutional means of resolving the conflict that developed and so the regions and the regional appointees were drawn into the conflict between Yeltsin and the parliament as each tried to use their regional supporters to provide another base on which to wield power and so effectively tip the balance.

The establishment of a stable, institutional basis of power was delayed due to the protracted debate surrounding the drafting of a new constitution which itself was amended, but badly. The provisions of the old Soviet constitution adopted in 1977 did not recognize the position of president and when it was hurriedly amended during the earliest stages of reform from 1989 to 1991 to reflect this change, the result was an unclear and often contradictory division of powers between the executive and the legislature, both of which could legitimately claim a democratic

⁷Ibid., p. 18.

mandate.⁸ In response, the parliament granted Yeltsin extraordinary powers in order to allow him to initiate the reform process. While the initial consensus amongst the political leaders rendered this an acceptable situation, once this consensus began to break down, the lack of a firm institutional means of resolving conflict became untenable as both the executive and the legislature tried to use every constitutionally provided for means of subverting the other. Since the position of president was simply grafted atop an already powerful parliament, there existed no comprehensive accounting of the terms of his authority and little time was taken to determine the precise method of interaction between the position of president and the parliament.⁹

As a result, when the confrontation between the two became unmanageable, as pointed out in an article by the chief editor at *Nezavisimaya Gazeta*, the whole political system became deadlocked, with neither able to effectively govern the country alone.¹⁰ Because of the constitution's internal contradictions, therefore, and the fact that, as a remnant of the discredited Soviet past, it arguably lacked any clear legitimacy, neither the president nor the parliament were entirely constrained by its provisions. As a result, the president issued decrees as if the parliament had ceased to exist, and the parliament did the same with legislation.¹¹ One scholar

⁸Hahn, p. 12.

⁹Thomas F. Remington, Steven S. Smith, D. Roderick Kiewiet and Moshe Haspel, "Transitional Institutions and Parliamentary Alignments in Russia, 1990-1993," in Thomas Remington, ed., Parliaments in Transition: The New Legislative Politics in the Former USSR and Eastern Europe, (Boulder: Westview, 1994), p. 168.

¹⁰Vitaliy Tret'yakov, "Agoniya politicheskogo ryezhdima ochevidna tol'ko novye vybory i novoe pravitel'stvo mogut spasti stranu ot posledstviy camopozhiraniya vlastey," *Nezavisimaya gazeta*, 11 August 1993, p. 1.

pointed out that, in this period, the legislative process was used as a type of political weapon. The parliament in particular amended the old Soviet Constitution almost on a daily basis to deal with temporary issues and conflicts in its bid to subvert Yeltsin.¹² One Russian journalist referred to the legislative process during this period as a “jungle.”¹³ The result was institutional deadlock. In response to this situation, both sides were forced to augment their respective power bases using extra-institutional means.

Both the president and the parliament were drawn into the politics of coalition building. Just as in Roeder’s model, the actors at the first tier were required to go beyond existing institutions in order to supplement power and, thus, break the deadlock. These coalitions or strategic alliances are designed to undermine the power of one’s opponent by building support in certain strategic areas, including the regions or the military, for example, in order to have their support and, in the case of the regions, be able to claim to speak for Russia’s regions. Equally important in this dynamic was to deprive one’s opponent of their support. This way of conceiving of Russian politics is particularly illustrative given that political discourses and conflicts at the centre have traditionally been framed in terms of either pro or anti-Yeltsin and, as a result, the supporters of one become de facto enemies of the other. Since neither the president or the parliament dominated all the instruments of power, including access to the military or control over the legislative process, they were forced to build coalitions of support in their attempts to

¹¹Valyერიy Turovskiy, “Prezident gotov sam prinyat’ reshehie o dosrochnnykh parlamentskikh vyborakh,” *Izvestiya*, 13 August 1993, p.1.

¹²Dwight Semler, “Focus: Crisis in Russia, The End of the First Russian Republic,” in East European Constitutional Review, Fall 1993/Winter 1994, p. 109.

¹³Aleksei Matveev, “Po zakonam dzhungley,” *Rossiiskaya gazeta*, 1 July 1993, p. 3.

circumvent and undermine their opponent.

It was not enough, however, to simply build coalitions of support. In order for one's coalition partners to be able to influence political outcomes, they must be empowered to do so. In Yeltsin's case, the primary means of doing this seems to have been to create institutions through which his allies or potential allies could function effectively. This process was very ad hoc as the president and, to a lesser degree the parliament, tried to create an institutional basis on which to wield power. Not being able to count on the support he may have otherwise had in parliament, the president needed to go outside the existing institutional framework. Yeltsin's modus operandi appears to have been: If you cannot find support in existing institutions, simply create institutions that will be more supportive.

This tendency intersected with the lack of regional representation in the legislature at the time. Not only were the first tier actors unwilling to build a consensus amongst themselves, building a meaningful consensus that reflected all the diverse sources of power, including regional interests, required that they go beyond the institutions at the centre. The regions' legitimate desire to be represented was thus used as a convenient pretext for trying to go around one another.

These institutions of course needed to be legitimized somehow. In the case of institutions formed from the regional elite, this took the form of claims to be speaking for the whole of Russia, for the people. In many ways, both the president and the parliament relied on this type of nationalist discourse as a means of legitimation. While the parliament asserted that the soviets were the only institution capable of thwarting the coming of Western imperialism and the marginalization of Russia; Yeltsin hoped to establish the support of all the regional leaders in order to bolster his claim to be acting in the interests and with the support of all of Russia. With

no institutional legitimacy for either, nationalist type legitimization became the option of last resort.

Despite being involved in this game, however, the parliament was somewhat less bound by this need to create supportive institutions. Being part of the system of soviets, it tried primarily to use this vertical chain of legislative power as its base of support. In this, it was quite successful given the presence of rather more conservative, former *nomenklatura* that dominated the regional soviets. The soviets were also a natural ally for the Supreme Soviet in that Yeltsin's statements that the soviet system was anathema to democracy placed their positions in jeopardy. Reflexively then, the leaders of the soviets tended to support the parliament rather than the president in the ensuing conflict.

By contrast, Yeltsin's creation of these "superbodies" consisting of regional elites, from the Council of the Heads of the Republics to the Federation Council, was a very important way of trying to garner the support of the regional elites in addition to serving his own interests. During the Soviet period, there was a considerable movement of cadres from the regional Communist party structures to the centre, Moscow. Understandably not content to be mere transmission belts in the reform process with no voice at the centre, the regional elites, whether appointed by Yeltsin or not, actively agitated for the creation of some type of institution through which they would be able to influence political processes at the federal centre. The institutional framework that existed at the time was ideal for Yeltsin to exploit these interests in that the regions did not have an effective voice in either the Congress of Peoples' Deputies or the Supreme Soviet. Yeltsin's strategy then suited the dual purpose of bringing the regional elite into the centre, thus satisfying their demand for a voice, and by creating institutions that he hoped to control by filling them with his appointees and by subordinating the councils to him.

In this way the regional elites were drawn into and became powerful players in executive-legislative relations. Because the support of the regions was so central in Russian politics, then, securing their support became an overriding concern of both Yeltsin and the parliament. In the process, however, both the president and the parliament became somewhat beholden to them. To use Roeder's terminology, the regions collectively were a crucial part of the selectorate in the way that their actions or where they placed their support played an important role in determining who would ultimately prevail in the battle between the president and the parliament.

So the president and the parliament used the regions to undermine each other much as they both tried to engage the military and the internal ministry in their battles against one another. By virtue of their place in the selectorate, both used whatever means available to them to gain the support of the regional elite and, at the same time, undermine the regions' support for their opponent. They both needed the support or at least the acquiescence of the regions or risk having them line up behind their opponent and thus undermine their ability to govern since forcing compliance was not an option. At the same time, however, Roeder asserts that both the actors in the first tier and the actors in the second tier will try and limit their accountability to the other. In this respect, the regions tried to limit their accountability to either the president or the parliament by not unconditionally supporting one or the other of the actors in the first tier, enabling them to effectively and continuously tie support to policy concessions. By contrast, Yeltsin in particular tried to limit his accountability to the regions in terms of their ability to force policy concessions by establishing the presidential vertical and by strategically shaping institutions so that his allies, those in the presidential vertical, were in a position to influence political outcomes. Only in this way did Yeltsin hope to at least partially bypass the more independent

minded regional authorities and force the compliance of his appointees by controlling their access to both political and economic resources through his ability to appoint and remove them.

In July 1992, when it was clear that relations between the president and the parliament had broken down, Yeltsin considerably strengthened the role of his presidential vertical. To this end, he reformed the organizational structure of his presidential representatives so as to bring them directly under his control, thus removing any influence the parliament may have exercised over them. This process was finally completed in February 1993, when Yeltsin issued Decree No.186 which changed the position of presidential representative from a temporary to a permanent position. Provisions for this were also included in the constitution. Article 83, k) states that the president has the power to "appoint and dismiss plenipotentiary representatives."¹⁴

There was, however, a weak link in his presidential vertical that was to have serious implications. This weak link was the fact that the republics, by virtue of their status, would accept no centrally appointed administrators or presidential envoys. The republics had more autonomy than the *oblasts* and had been at the forefront of the separatist movement. This required that Yeltsin adopt a particular strategy to recruit the support of the republics through policy concessions. Yeltsin, in fact, had allied himself with the republican elite as early as 1990 in his bid to undermine Gorbachev and this strategic alliance and his decision to incite the republican leadership to take as much sovereignty as they could handle¹⁵ limited the extent to which he could subsequently subordinate them. Repeated efforts to equalize the regions in terms of status failed

¹⁴Busygina, p. 22.

¹⁵Edward W. Walker, "The New Russian Constitution and the Future of the Russian Federation," The Harriman Institute Forum, Vol. 5, number 10, June 1992.

as the republican elite refused to see their privileges diminished.¹⁶ So while Yeltsin was somewhat limited in his accountability to the administrative units, to the republics he was entirely dependent and they used this accountability to extract significant privileges from Yeltsin.

Policy concessions thus became the sole means of engendering the support of the republics. To that end, Yeltsin created the Council of the Heads of the Republics on October 16, 1992. Designed with a consultative function, coordinating the republican leaders was crucial to Yeltsin who consulted with them prior to any major decision. At its first meeting in October 1992, Yeltsin was quoted as saying that the purpose of the council was “to give the republics greater independence and rights than they have today or are provided in the Federation Treaty.”¹⁷ In 1992, for example, Yeltsin convened the council and requested that they support him in his bid to postpone the seventh Congress of Peoples’ Deputies. When that failed, he again called them together to garner support for the impending meeting.¹⁸ At the same time, the Federation Treaty was being negotiated and presumably the council used its power to secure for the ethnic republics the right to be considered “sovereign.”

Moreover, Yeltsin allowed the republics to adopt the traditional markers of legitimate statehood including constitutions, flags, anthems, and in some cases even citizenship. These were visible symbols of the difference between the republics and the *oblasts* who did not receive these

¹⁶Elizabeth Teague, “Yeltsin’s Difficult Road To Elections, “ in RFE/RL Research Report, Vol. 2, no. 41, 15 October 1993, p. 3.

¹⁷Darrell Slider, “Federalism, Discord, and Accommodation: Intergovernmental Relations in Post-Soviet Russia,” in Theodore H. Friedgut and Jeffrey Hahn, eds., Local Power and Post-Soviet Politics, (Armonk: M.E. Sharpe, 1994), p. 260.

¹⁸Roeder, p. 93.

rights. That Yeltsin consistently favoured the republics over the other components, however, had the effect of alienating many of the regions despite the presence of his appointed executives and made the task of convening a council that represented all the regions a more difficult task as these privileges pitted the republics against the administrative units. This alienation was felt even in some cities.¹⁹ The governor of Perm, Boris Kuznetsov, for example, articulated his agenda vis-à-vis constitutional negotiating when he was quoted as saying that the republics received “unjustified advantages and privileges” and stated that “ideally our aim is to have...exactly the same status as the republics have.”²⁰

Since the consensus between Yeltsin and the parliament had broken down, the parliament, recognizing its disadvantage in the regions, began to establish its own presence in the regions and tried to undermine Yeltsin’s influence. The significance of the regions is clearly demonstrated in the way the issue of Yeltsin’s power of appointment of the heads of administration and the position of presidential envoys were drawn into the battles between the executive and the legislature. During the Eighth Congress in March 1993, when the parliament canceled the referendum, it also attempted to strip the president of his power to personally appoint presidential representatives in the regions, on the grounds that the constitution did not allow for any appointed administrators in the regions.

Here we can see the way the constitution was and is still being used in the dominant discourse by both the parliament and the president. Both players brought the constitution into the

¹⁹“Kakoy zhe gorod ne mechtaet stat’ respublikoy.” *Rossiiskaya gazeta*. 16 September 1993, p. 4.

²⁰Solnick, p. 54.

discourse when it suited them and their interests and ignored its provisions when it did not. This is significant in that it undermined the legitimacy of the institutions they themselves had a hand in creating, and necessitated that each legitimize themselves and their actions in ways other than by working through the existing institutional framework or legal/constitutional guidelines.

In response to the parliament's constitutional challenge, that same day Yeltsin refused to relinquish his control over the envoys and even announced that he would launch a comprehensive review of the loyalty of existing representatives in the regions. Finally, on March 29, the parliament made a public statement in effect blaming Yeltsin for the antagonism between the parliament and the executive, and again adopted a resolution that was to abolish the position of presidential regional envoys.²¹ In this way, the power struggle between the executive and the legislature at the centre expanded to include the local political actors.²²

In addition to that, Russia's asymmetrical federal system gave the opposition leaders an opportunity to exploit the issue of status to try and gain the allegiance of the 68 administrative units. Capitalizing on the resentment that the non-republican components felt over the inequities of the system, the parliament introduced into the discourse their commitment to raise the *oblasts'* status to the same level as the republics. Specifically, the parliament continuously raised the issue of status to the administrative units to undermine Yeltsin's support amongst the non-republican federation components. Yeltsin, for fear of alienating the more powerful republics, did not support the notion of changing the federal system to equalize in status and power all the components. The

²¹Dwight Semler, "Special Reports: Crisis in Russia," East European Constitutional Review, Spring 1993, pp. 16-19.

²²Hahn, p. 18.

parliament subsequently entered the fray and made just such a promise: if we prevail and you invest in us the power to change the system, we will, to your advantage. Promising to equalize the status of the regions became the parliament's primary means of engendering their own support in the regions beyond the soviets. Khasbulatov, during his visit to the regions prior to the October crisis, reiterated his intention to satisfy the demands of the regions and raise their status.²³

While the president favoured the republics over the *oblasts* virtually from the beginning, interestingly, the Supreme Soviet had also defined early in whose interests they would act. The conflict of interest that ensued, in fact, contributed to the disintegration of the Yeltsin, Khasbulatov, Rutskoi alliance. Relations between them began to disintegrate as early as October 1991 when the Supreme Soviet lobbied for the election of the heads of the regional administration despite Yeltsin's insistence that they be presidential appointees. Although the parliament ultimately relented, these earlier battles seemed to set the stage for subsequent ones as the executive and legislative bodies made strategic choices regarding their political allies and whose interests they would represent.²⁴

The strategy of the parliament was twofold. In order to try and counterbalance the power of Yeltsin's presidential vertical, the Supreme Soviet relied on both its ability to manipulate the issue of status and focused on strengthening ties with its natural ally, the regional soviets. In many ways the fate of the regional and local soviets was tied to the fate of the Supreme Soviet in that

²³Emil Payin. "Separatism and Federalism," in Heyward Isham, ed., Remaking Russia Voices From Within. (Armonk: M.E. Sharpe, 1995), p. 192.

²⁴Yitzhak M. Brudny, "Khasbulatov, Rutskoi, and Intreelite Conflict," in Timothy J. Colton and Robert C. Tucker, eds., Patterns in Post-Soviet Leadership. (Boulder: Westview Press, 1995), p. 83.

Yeltsin, in his bid to undermine the Supreme Soviet, portrayed the whole system of soviets as a vestige of the past and anathema to democracy. The extent to which the parliament relied upon its own, parliamentary vertical to counter Yeltsin's is evident in early 1993 when Khasbulatov visited Novosibirsk to garner the support of the leadership of the local soviets and, at the same time, reiterated his commitment to raising the status and autonomy of the regions. In this way, he presented the conflict between Yeltsin and the Supreme Soviet as the president's express bid to rid Russia of the soviet system of power at all levels. In response, the Novosibirsk authorities adopted a resolution calling for the cancellation of the proposed referendum.²⁵ Khasbulatov subsequently touted this resolution in parliament as evidence that the soviets supported the parliament, thus prompting the support of those deputies still reluctant to confront Yeltsin. Both Khasbulatov and Rutskoi portrayed the soviets as the keepers of the Russian faith and as defenders against the West's attempts to turn Russia into "a colonial enclave region which performs the role of a mere source of strategic raw materials for the world economy and a dumping ground for [its] obsolete technology."²⁶ The parliament thus used its alliance with the soviets in their bid to undermine Yeltsin.

So while the president used his presidential vertical in the administrative units and the

²⁵The referendum was intended to end the deadlock by asking the voters directly who they supported and whether they wanted early elections. It included four questions: Do you have confidence in the President of the Russian Federation? Do you approve of the socio-economic policy carried out by the President and government of the Russian Federation since 1992? Do you consider it necessary to hold early presidential elections? Do you consider it necessary to hold early elections of people's deputies? The referendum was held on April 25, 1993.

²⁶Ibid., p. 91.

power of his office to grant policy concessions to the republics, the parliament, by contrast, used the contradictions in the federal system to garner the support of the administrative units. Although neither the president nor the parliament were uniformly successful in this regard, they each had little choice as neither could decisively shift the balance of power without the support of the regional elites among others, including, significantly, the internal ministry.

The inequities of the system, however, and the antagonism between the federal components themselves prevented either the president or the parliament from achieving the unconditional support of all the regions. In fact, the genesis of the Federation Council was the persistent antagonism between the federation components over the inequities in the system itself, in the Federation Treaty, but also because of the Council of the Heads of the Republics. Edward Walker writes that it became a “particular bone of contention...[t]he governments of those constituent elements not represented on the Council have demanded that it be replaced by a ‘Council of the Federation’ that includes all the heads of the governments of the Federation’s constituent elements.”²⁷ Hoping to satisfy the demands of all of Russia’s constituent parts, Yeltsin tried to convene a Council of the Federation. His hope, as he stated publicly several times, was to have this body adopt a new constitution, thus bypassing the oppositionist Supreme Soviet.²⁸ In mid-August 1993, after having publically insinuated that he may “go around Parliament” in order to proceed with his reforms, he again suggested the convening of a Council of the Federation,

²⁷Edward W. Walker, “The Neglected Dimension: Russian Federalism and its Implications

For Constitution Making,” in East European Constitutional Review, Spring 1993, p. 27.

²⁸Sergei Parkhomenko, “Special Reports: Russia in Crisis,” in East European Constitutional Review, Spring 1993, p. 22.

essentially to replace the existing parliament.²⁹

An additional inequity that caused a great deal of dissension amongst the federation components and hindered the convening of the Federation Council was the fact that the Federation Treaty, as it first appeared, had provisions in it that any future house of parliament that was to be comprised of the federation components, like the Federation Council, was to have 50% of its seats allocated to the 21 ethnic republics. Since it was commonly known that the proposed Council of the Federation was to be the prototype of the future upper house of parliament, this provision was a significant barrier in terms of assuring the assent of the 68 administrative units. Because of this provision and the republics' staunch defense of their privileges, in March 1993, Yeltsin created the counterpart to the Council of the Heads of the Republics - the Council of Heads of Administration.³⁰ Although this temporarily appeased the governors in the administrative units, Yeltsin still had to bring the two organizations together in order to legitimately claim that any decision passed through these bodies represented the "voice" of the whole of Russia.

Again, we see the need to establish some type of legitimacy. Since political processes had been reduced to a zero-sum game, the ultimate goal was to assume all the policy making prerogatives for oneself. But to completely eclipse one's opponent required that this be perceived as somehow necessary and legitimate in the eyes of the people since this was, ostensibly at least, a democratic system and both the president and the parliamentary leaders would ultimately be

²⁹Semler, Fall 1993/Winter, p. 107.

³⁰Slider, 1994, p. 261.

judged by the electorate. As is obvious, Yeltsin's approach to the regional problem at the time was quite ad hoc and often even chaotic as he created councils, signed treaties and made promises to the regional leaders. It is important to understand that he was trying to base his power on the support of the regional leaders. Since he had lost the support and the confidence of the parliament, they represented the only political actors left to turn to. He could not, however, reasonably legitimize his rule and at the same time be alienated from either the republics or the administrative units. But, because he had reinforced the inequity between the two in terms of both political power and economic privilege, he denied himself a comprehensive strategy with which to deal with the regions. He needed the support of all the regions, but their demands rendered that impossible.

According to Roeder, accountability is not uniform over time. Accountability may be "nonsynchronous with alternating periods of accountability of leaders to selectors and selectors to leader."³¹ As the situation between the president and the parliament grew more intractable, their dependence on the regional elites grew proportionately. Particularly as each side sought to draft a constitution that reflected their interests, their campaign to win the support of the regions increased dramatically. For his part, Yeltsin tried desperately to convene the Federation Council in order to circumvent the parliament in his bid to pass his constitution and, in the process, Yeltsin was willing to promise almost anything to the regions in return.³² At the same time, the parliament was doing the same thing, in particular promising the administrative units that they

³¹Roeder, p. 30.

³²Vitaliy Portnikov, "Osen' v Moskve: Agoniya politicheskogo rezhima ili krizis gosudarstvennosti? Sovet federatsii pomozhet otvetit' na etot vopros tochno," *Nezavisimaya gazeta*. 17 August 1993, p. 1.

would raise their status on par with the privileged republics and even at one point inciting the regions to stop transferring any funds to the central government in their bid to undermine Yeltsin. This bargaining process ultimately escalated to an untenable level as the regional elite, recognizing the power of their position, demanded more and more concessions for their support of Yeltsin's Federation Council.

The issue that dominated the political agenda in 1993 was the need to adopt a new constitution. Increasingly, the idea of a new constitution that could break the deadlock at the centre by establishing clear relations between the legislature and the executive seemed the only solution. The two sides, however, differed in how they sought to resolve this issue. While the parliament advocated a constitution that provided for a strong parliament, the president envisioned a strong presidential system. Since this conflict was seen as a winner take all situation, both the parliament and the president sought to establish in the constitution a firm basis through which they may dominate the policy making process and as much as possible limit the role of the other in future political processes.

Both arguments have certain merits: presidential systems arguably are better able to handle transition periods as often consensus making is difficult and political parties are undeveloped. On the other hand, presidential system very often lead to gridlock as both the executive and the legislature are able to act as a brake on the other. Parliamentary systems, on the other hand, may foster the development of the party system and force political actors into making compromises and consensus building. Even now, four years after the adoption of the constitution, it would be difficult to speculate whether or not the choice of the strong presidential system was a good one or not. What can be said with some degree of certainty, however, is that neither

system would necessarily have led to democratic consolidation since Russia's problems may go far deeper than its institutions. In that the conflict may have been a reflection of the presence of a deep rupture in society which may itself have been the cause of the attendant political conflicts. Moreover, that neither side was willing to compromise on this issue and so, the drafting of a new constitution conformed to the winner-take-all approach that characterized Russian politics. In fact, as each side became more intractable in their demands, they both abandoned any efforts to broker a compromise as they both tried to break out of the institutional deadlock by using their alliances in the regions.

On April 15, 1993, Yeltsin convened the Council of the Heads of the Republics and presented to them a copy of his version of the constitution and promised to take their views into account in any future changes. At the same meeting, Yeltsin asked for their consent to hold a referendum. The council unanimously agreed on April 25 to comply with Yeltsin's demands for a Russia-wide referendum and consented to hold the vote on their respective territories. The referendum appeared to give the approval of the majority of Russians on both his presidency and on the general direction of his reforms.

Yeltsin's success in the referendum, however, was only a temporary respite from his troubles and did not end his increasing reliance on the regions. The referendum was significant less because of the results than the fact that it pointed to Yeltsin's increasing desperation. Andrei Kortunov, the Chairman of the Russian Science Foundation, wrote just after the April referendum that any gains made by Yeltsin as a result of the referendum were largely illusory. The public support that Yeltsin may have enjoyed at the time could not make up for the lack of what Kortunov calls "institutional" support by which he meant "first of all the power ministries...but

also the industrialists and their political representatives, major trade unions and, above all, ascendant economic and political elites in the regions.”³³ He further argued that Yeltsin’s apparent weakness and his chronic indecisiveness and inconsistent policies in the lead up to the referendum caused him more damage than the apparent victory afforded him political gains. So despite the fact that Yeltsin may have tried to base his power and legitimacy on public support, arguably, he failed. Even Yeltsin recognized that the results of the referendum only provided him a temporary respite from his battles with the parliament. What he needed, then, was to continue with his efforts to establish a firm, institutional constituency on which to tip the balance of power at the centre and allow him to assume for himself all the policy making prerogatives.

After the referendum Yeltsin requested that each of the republics send two delegates to a constitutional conference in order to ensure their assent by providing them with an effective voice in the drafting process. Yeltsin’s first draft constitution, the Alekseev draft, envisioned that the proposed Federation Council and not the Duma would exercise the power to approve ministerial appointments or dismissals. Also in this draft were provisions for the Federation Council’s control over the appointment of the prime minister. Rather than the President’s nominee for prime minister being passed through the Duma, it would require only the assent of the Federation Council.³⁴ This is significant in that we can see here how Yeltsin wanted to design executive-legislative relations in the new constitutional order. By diminishing the power of the

³³Andrei Kortunov, “Special Reports: Crisis in Russia,” in East European Constitutional Review, Spring 1993, p. 20.

³⁴Stephen Holmes, “Yeltsin’s Constitutional Proposal,” in East European Constitutional Review, Spring 1993, p. 22.

Duma and heightening the power of the regions through their participation in the Federation Council, he hoped to entice the regional leaders at the time to acquiesce in his bid to bypass the Supreme Soviet and adopt a constitution by extra-constitutional means. Unfortunately for Yeltsin, little came of this conference.

Sergei Filatov, the head of the presidential administration, tried especially hard to bring the regional leaders together, if only temporarily, to adopt a constitution favourable both to them and to Yeltsin. The regional elites, however, thwarted his every attempt by changing their demands each time it looked like they had reached some agreement. In fact, on several occasions the presidential administration was publicly humiliated when the announced council failed to meet at the specified time.

At a meeting between Yeltsin and the republican leaders in Petrozavodsk on the 13th of August,³⁵ the republican leaders finally issued a statement of support for Yeltsin's proposed council. Yeltsin scored an important political victory in securing for himself the support of the republics. The republics, however, did not entirely wish to exclude the parliament in this initiative. The President of Yakutia, for example, several days after the meeting issued a statement expressing his hope that the parliament would also support the idea of a Federation Council.³⁶ After this, the task at hand was to go to the other components to establish their consent. Nikolay Ryabov went across the country, again trying to garner support for the idea. The most difficult to convince were the *krais* and *oblasts* who, following Khasbulatov's warnings, were hesitant to

³⁵"Boris Yel'tsin otbyl v Petrozavodsk," *Izvestiya*. 13 August 1993. p. 1.

³⁶Padik Batyrshin, "Prezident Sakha (Yakutii) - Za dosrochnye parlamentskie Vybory v RF," *Nezavisimaya gazeta*. 17 August 1993, p. 1.

follow Yeltsin lest he use the council to wrest power from the Supreme Soviet. According to the Russian press, Khasbulatov had planned to immediately call for the impeachment of the president in the event that Yeltsin succeeded in bringing together all the leaders of the regions.³⁷ At one point after the Petrozavodsk meeting, Khasbulatov even went so far as to call the Council a “mongrel entity.”³⁸

One Russian journalist expressed the opinion that Khasbulatov’s strong words against the council actually served to somewhat alienate the federation components, even the administrative units and the soviets. In his opinion, despite the fact that Khasbulatov proposed his own version of a body made up of the regional leaders, it was less attractive to them because of their desire to gain access to Yeltsin and the powerful executive branch.³⁹ This was probably a strong motivating factor behind the regions ultimate acquiescence to the idea in that, with the size and power of his administration, Yeltsin was a more difficult leader to access than the parliamentary leaders and it was an opportunity to gain for themselves some representation.

At a meeting of executive and legislative authorities from the East Siberian and Northern regions on August 23, Filatov revealed that Yeltsin had hoped that he would not have to establish the Federation Council by decree but rather that the council would “form itself.” In order to

³⁷Ivan Rodin, “Veto prezidenta na utochnenyy byudzhnet mozhnet stat’ povodom dlya impichmenta vse gotov dlya ocherednogo s’ezda narodnykh deputatov.” *Nezavisimaya gazeta*. 25 August 1993. p. 1.

³⁸Radik Batyrshin, “Federation Council as Parliament’s ‘Bane’: Supreme Soviet’s Nervousness Plays into Yeltsin’s Hand.” *Nezavisimaya gazeta*. FBIS-SOV-93-167, 31 August 1993, p. 16.

³⁹Ibid.

provide it with more legitimacy. Yeltsin urged the regional authorities to act as they had during the negotiations of the Federation Treaty and collect the signatures of representatives from all the components on the Federation Council's founding documents. At the same conference, Filatov reportedly defended the president's move to convene this body regardless of the parliament's opposition by saying that since it would have only a consultative function, it did not require the assent of the parliament. He did, however, suggest that the proposed Federation Council would be significant in other ways - "no branch of authority can fail to take this Council's opinion or recommendations into consideration. It will be the collective voice of Russia."⁴⁰

Some in Yeltsin's camp were less subtle when voicing their expectations regarding the Federation Council. First Vice-Premier Vladimir Shumeiko, for example, more explicitly expressed what most believed to be Yeltsin's true motives. According to him, "the council should be turned into a power structure that could serve as the higher chamber of the Federal Assembly during the transitional period."⁴¹

Despite the hesitant support that Yeltsin received from Russia's *krais* and *oblasts*, they were still unwilling to give the Federation Council, as Yeltsin conceived it, unqualified support. Aware that the president may use his presence in this body as a means of manipulation, in early September six *oblasts* issued a joint subject on the issue:

We, the representatives of six oblasts - Belgorod, Voronezh, Lipetsk
Kursk, Orlov, and Tambov - having discussed the Draft Agreement

⁴⁰Vasiliy Kononenko, "Federation Council Will Probably Not be Founded, But Will Found Itself," *Izvestiya*. FBIS-SOV-93-164, 26 August 1993, p. 26.

⁴¹Lyudmila Fomichyova, "Shumeiko Rules Out Working With 'Outdated' Supreme Soviet," *Itar-Tass*. FBIS-SOV-93-167, 31 August 1993, p. 15.

on the Creation of the Federation Council, support the idea of creating such an organ. At the same time, we believe that the purposed text of the draft is unacceptable. We believe it is fundamentally important to stress that the Federation Council, as a consultative-deliberative organ, should consist only of the leaders of organs of representative and executive powers of the Federation components...⁴²

For those administrative units that did give their assent, many were prepared only to use it as a means of advancing their own agendas. For Yeltsin, the idea was to bypass the parliament and use the Federation Council to adopt a new constitution - one that would shift the balance of power decidedly in Yeltsin's favour. By contrast, several of the non-ethnically defined federation components wanted to use the Federation Council to bring about substantial changes in the federal system. The one issue that topped their agenda was the unequal status between the republics and the other components.⁴³ This proved to be a further frustration to the president's efforts. Even if he could convene a council, there was no guarantee that it would function as he anticipated. It was unlikely, however, that the republics themselves would agree to participate in a body that would be used simply as a forum for the other components to air their grievances. Tatarstani presidential counselor Rafaell Khakimov, despite his earlier statements to the contrary, for example, agreed to sit in the council as an observer only. He stated that he would not entirely rule out Tatarstan's future participation "with the rights of a founder, but on the condition that the Russian leadership

⁴²Valentina Nikiforova, "Provinces' Response to Filatov," *Pravda*. FBIS-SOV-93-171, 7 September 1993, p. 54.

⁴³"Representatives Favor Establishing a Federation Council," *Moscow Russian Television Network*. FBIS-SOV-93-175, 13 September 1993, p. 41.

recognize the republic's declaration on state sovereignty..."⁴⁴ Similarly, Bashkortostan tied its consent to participate in the Federation Council to its own demands. It declared that it too would participate only as an observer until "the appendix to the Federation Treaty proposed by the Bashkortostan Republic is implemented."⁴⁵

Russia's asymmetrical federal system and the privileges of the republics were not something that the republics were willing to give up easily. Despite their consent to the forming of the Federation Council, the republics maintained that the Council of the Heads of the Republics continue to exist alongside the Federation Council. Karelian Supreme Soviet Chairman Viktor Stepanov was quoted as saying "If the president 'does not reject us' the Council of the Heads of the Republics will be preserved as a consultative body. as we are more organized in our actions. If the parliament is going to scrutinize the draft law on the Federation Council for another 18 months, the krai and oblast leaders may 'wilt.'"⁴⁶

Finally, on September 18 and 19 the Federation Council did meet, but the results were not as Yeltsin and his team had anticipated. Most of the regional authorities present refused to acquiesce to Yeltsin's demand that they assume more than a consultative function.⁴⁷ Yeltsin's plan was not realized since many of the regional leaders refused to play the role that the president had

⁴⁴"The Convening of the Federation Council Becomes a Reality," *Segodnya*. FBIS-SOV-93-175, 13 September 1993, p. 41.

⁴⁵ "Bashkortostan, NEGA coobshchaet," *Nezavisimaya gazeta*. 10 September 1993, p. 3.

⁴⁶Aleksandra Lugovskaya. "Karelian Supreme Soviet Chairman Viktor Stepanov - 'There will not be another Novo-Ogarevo.'" *Izvestiya*. FBIS-SOV-93-180, 20 September 1993, p. 47.

⁴⁷Semler, Spring 1993, p. 109.

set for them and at the conference less than 40 were prepared to sign the founding documents.⁴⁸ Possibly to prolong the crisis at the centre, many agreed to the idea of the council in principle only, without taking on its function as an alternate legislature. Yevginy Yuiganov, the Deputy Chairman of the Pskov *Oblast* Soviet, when asked about the draft Federation Council founding papers, said he agreed with the need to form such a body under the condition that it not be used as a means of replacing the existing parliament. Clearly siding with the Supreme Soviet, he said that it is only the parliament that can honestly establish a new institution such as the Federation Council.⁴⁹ Fearful nevertheless, Khasbulatov, in an attempt to divert attention away from this meeting, scheduled a meeting of all the heads of the regional soviets on the same day and at the same time as Yeltsin's meeting.⁵⁰

Eventually it became clear that the regions' conflicting demands made it impossible to reach an agreement, and so Yeltsin chose to disband the parliament rather than simply bypass it. Just two days later, Yeltsin declared the parliament closed with the infamous Decree No. 1400 "On a Step-by-Step Constitutional Reform of the Russian Federation." During the crisis that ensued, the regional leaders took this opportunity to wrest even more power from the faltering centre. Between September 21 and October 4, 62 federation components began to remove themselves from all centrally governed power structures.

⁴⁸Aleksandr Linkov. "Federation Council Apparently Set Up. But What Is The Reality?" *Rossiiskaya gazeta*. FBIS-SOV-93-183, 23 September 1993, p. 14.

⁴⁹Yevginy Yuiganov. "Troyanskiy kon' u dverey parlamenta." *Rossiiskaya gazeta*. 14 September 1993, p. 2.

⁵⁰Tamara Zamyatina, "Yeltsin's Planned Meeting of Regional Leaders Assessed," *Itar-Tass*. FBIS-SOV-93-179, 17 September 1993, p. 18.

In response, Yeltsin sent a team of his representatives to various regions to try and forestall this mass exodus. For his part, acting president Rutskoi immediately began to contact all the leaders of the regions in order to try and build a base of support. This is significant as it again points to the important role played by the regions both in precipitating the crisis as well as in determining its outcome. Because both Yeltsin and the parliament claimed to be acting in the interests of all of Russia, the support of the regions was crucial in creating the appearance of legitimacy for these claims. Rutskoi's spokesperson during the crisis, Andrey Fedorov expressed this most clearly when he said "it is absolutely clear that the regions will be the decisive force within this conflict."⁵¹ After having secured the support of the security forces, however, it quickly became clear that Yeltsin would ultimately prevail. This was all it took for the majority of the regional elite to come down in his favour. Finally, the storming of the White House brought the crisis to its end. Yeltsin engaged in a type of purge which extended to the regional leaders who had been disloyal as well as to officials in Moscow who had sided with the parliament.⁵²

Thus began Yeltsin's reassertion of control over the wayward regions, including postponing the scheduled meeting of the Federation Council in early October. In fact, several of the republican leaders approached Yeltsin after the White House was stormed and demanded that the Federation Council be immediately convened. As he had won a temporary respite from his battles with the parliament, Yeltsin promptly refused. During a public speech on October 6, Yeltsin demanded that regional and local soviets disband themselves. Although initially he called

⁵¹Jon Snow, "Spokesman Views Possibility of 'Dialogue' With Yeltsin," London BBC Television Network. FBIS-SOV-93-183-S, 23 September 1993, p. 8.

⁵²Semler, Spring 1993, p. 111.

this a “request” for their “voluntary” closure, when it became clear that few were prepared to comply, he issued the decree “On Reform of Representative Power and Institutions of Local Self-Government of the Russian Federation.” This too, however, failed to prompt them and so on October 26 Yeltsin ordered them dissolved with their powers being temporarily passed to the regional administrative heads, themselves largely appointed by the president, until the summer 1994 elections could be held. Significantly, this decree called for the dissolution of the regional soviets in the administrative units but only “recommended” that the republics consider the dissolution of their local soviets.

The unintended consequence of the dissolution of the soviets, however, was that the Federation Council, which was to be made up ex officio of both the heads of the regional executives and the heads of the legislatures or the soviets, could not be convened. As a result, on October 11, Yeltsin decreed that the first Federation Council would be elected in December along with the Duma. This situation, though, was meant to be only provisional and for only two years unlike the term of future members of the Federal Assembly which were to be for four years. Despite this setback, Yeltsin maintained his powers of appointment and dismissal of the regional administrative heads. The decree states,

That it be established that the head of the administration of a kray, oblast autonomous oblast, autonomous okrug, or city of federal importance is appointed and dismissed by the president of the Russian Federation upon representation from the chairman of the Council of Ministers of the Government of the Russian Federation.⁵³

And since the local legislatures had been disbanded, these appointed governors commanded a

⁵³Text of this decree appears in *Itar-Tass*. FBIS-SOV-93-194, 8 October 1993, p. 8.

considerable amount of power in their localities.⁵⁴ In other words, this one decree removed power from the representative organs at every level and transferred it to the executive bodies. This led one Russian journalist to remark that Russia was becoming nothing more a system based on “strong governors and mayors.”⁵⁵ Moreover, given the short amount of time allocated for election preparations and the fact that the regional administrators, who were appointed by Yeltsin, were to be organizing the elections, it was quite likely that Yeltsin anticipated that those faithful to him would fare well during the elections.

The edict also specified that in the event that the future regional or local legislatures fail to achieve quorum, or two-thirds of the deputies, their duties would pass to the administrator. The regional legislatures had been and continue to be largely dominated by local administrators who had a great deal of power and influence at the local level *and* who were also appointed by the *krai* or *oblast* level governors. Interestingly, initially, Yeltsin decreed that the position of deputy in the regional legislatures was to be full time, thus making it less attractive to the local administrators who derived the majority of their power from their local positions. Shortly after this decree, however, Yeltsin completely reversed himself and decreed that “the quantity of deputies working on a full time, paid basis cannot exceed two-fifth of the total number of deputies.”⁵⁶ The result of such a situation is clearly that the president, who appoints the governor, who then appoints the local administrators that are well represented in the regional legislatures

⁵⁴Semler, Spring 1993, p. 113.

⁵⁵Ivan Rodin, “Yeltsin’s Actions on Local Government Viewed,” *Nezavisimaya gazeta*. FBIS-SOV-93-195, 12 October 1993, p. 36.

⁵⁶Darrell Slider, “Elections to Russia’s Regional Assemblies,” in Post-Soviet Affairs, 1996, vol. 12, no. 3, p. 244

gains an advantage over both the regional executive and the regional legislatures.

It is important to keep in mind here that Yeltsin designed the constitution generally and the Federation Council specifically to prevent another stalemate between the president and the parliament. The structure of institutions at all levels of power became politicized in this highly conflict ridden environment. This is particularly true of the issue of regional representation. Both the president and the parliament used this as a bargaining tool, designed to ensure the support of the regions. At the same time, of course, the regions were involved in this process as they demanded a voice.

As Gerald Easter put it “[w]ithout a common enemy, the [former democratic] coalition split over the spoils of power.”⁵⁷ Designing institutions so as to ensure the best possible representation of one’s own interests became the modis operandi of this split. In the process, unfortunately, political calculations took precedence to stability. The executive was strengthened at all levels vis-a-vis the legislative in a move that can only be rationalized by the argument that the development and democracy can only be achieved through authoritarian methods. In that sense, then, the events of the so-called first Russian republic are especially instructive when analyzing the constitution or any of the institutions that were created within it. Given that Yeltsin was almost entirely constrained in his actions by the parliament of course, but also the regional elite and the demands they made on him, what followed from the consolidation of Yeltsin’s power and the passage of the constitution was designed to both undermine the parliament and to reduce his own accountability to the regional elite by undermining the parliament’s ability to use them

⁵⁷Gerald Easter, “Preference for Presidentialism - Post Communist Regime Change in Russia and the CIS,” in World Politics, 49 (January 1997), p. 193.

against him.

Specifically, the Federation Council was designed with several functions in mind. First, it was used as a means of undermining the parliament by providing Yeltsin an alternate method of legislating. By giving the Federation Council a legislative function and by planning to fill it, at least temporarily, with people supportive of him, Yeltsin tried to assure himself the support of at least one of the chambers in the new Federal Assembly. Andranik Migranyan, a member of the Presidential Council, was quite explicit about the function of the future upper house of the Federal Assembly. He said in an interview shortly after the parliament was disbanded that it was designed to be the “one house under reliable control.”⁵⁸ Second, it was a reflection of his continued need to secure the support of the regions and to this end the Federation Council was used as a means of “buying” their support by allowing them access to the federal power structures as well as allowing the members within it to expand their personal bases of power. The regions demanded, and deserved, representation in the new Federal Assembly. He hoped that by including the regional leaders themselves in the legislative process, the ability of the regions to subsequently act without due deference to federal norms and laws would be curtailed. Yeltsin must have anticipated that providing them a place at the centre would somewhat shift their locus of power from the regions to also include the power that they had in the Federal Assembly. This, in turn, may have given the regions a vested interest in stability in the centre. This vision of an “integrated” federalism must have figured into his calculation to include the heads of the regional legislature and executive in the upper house. Prior to the creation of the upper house, the regions

⁵⁸Tamara Zamyatina, “Yeltsin Advisor Comments on Dissolution of Local Soviets,” *Itar-Tass*. FBIS-SOV-93-195. 12 October 1993, p. 34.

were without a voice in the legislature and so could, arguably, claim not to be bound by its laws.

Finally, it was intended to undermine the parliament's ability to use the regions against Yeltsin in the future and, in the process, limit Yeltsin's own accountability to the regions, thus preventing the occurrence of another destabilizing round of competition for the support of the regional elite. Expecting that the parliament could again become the locus of a legitimate alternative to his power, Yeltsin was driven to continue to assure that he had the support of the regions and, significantly, that the parliament could not again use the regions against him. To undermine the parliament, then, also required that Yeltsin gain the full support of the regions, which he tried to do with the Federation Council. The potential that the regions could align themselves with a potentially hostile parliament was enough to assure that he could not ignore the regions long despite his apparent "victory" over the parliament.

Yeltsin's plan, then, with both the reform of regional government and the Federation Council was to undermine the parliament while at the same time strengthen his position vis-a-vis the regions. Specifically, to limit his accountability to the regions by strengthening his presidential vertical. Even though the appointed governors could not be included ex officio in the provisional Federation Council, Yeltsin allowed them to run in the elections. Moreover, the reforms at the regional level clearly benefitted both Yeltsin and the governors. As Darrell Slider pointed out, Yeltsin's intent was clearly to "bring about a shift in the balance of political authority in the regions to the benefit of regional governors and presidents, at the expense of the legislatures."⁵⁹ Where formerly the soviets had been able to act as a check on the powers of the regional executive

⁵⁹Slider, 1996, p. 249.

and thus on the reform process, under the new provisions, the legislatures that were to replace the soviets were “given very limited powers to supplant, obstruct, or overturn the powers of the executive.”⁶⁰ His rationale was clearly to establish a regional ally that was powerful enough to significantly influence, if not outright control, regional political processes. Yeltsin must have anticipated that these governors would limit his accountability to the regions in the Second Russian Republic, thus freeing him to proceed with his vision unencumbered by independent, potentially opposition minded politicians. And it was these very powerful governors that were accountable to Yeltsin, which were slated for participation in the future Federation Council.

In other words, Yeltsin created a situation of what Roeder calls a “circular flow of power” in that he invested power in the hands of those who themselves are directly accountable to him and, therefore, indirectly derive their power from the president. Yeltsin wanted to assure that he could use his influence at both the federal level against the Duma as the Federation Council had the power to reject legislation passed by the Duma and through the council’s power of legislative initiative and at the local level by expanding the powers of his governors in their authority to implement legislation.

The other members of the Federation Council, the heads of the regional legislatures, formerly the soviets, similarly served Yeltsin’s ends by undermining the parliament’s ability to use them against Yeltsin as they had prior to the October crisis. By placing them in the Federation Council, Yeltsin was able to more easily manipulate them through material incentives, such as the benefits accrued to membership in the Federation Council. Finally, and most importantly, by

⁶⁰Ibid., p. 250.

placing the regions on an equal footing with the republics in the council and visibly reneging on his promise to the republics for a greater proportion of seats, itself one of the greatest sources of tension amongst the regional elite. Yeltsin reduced considerably the potential that the regions be used by the parliament to undermine Yeltsin.

The reforms that were precipitated by the events that led to the October crisis were to have a dramatic impact on the next phase of post-Soviet Russian reform, the Second Russian Republic. The wresting of power from the legislative bodies at all levels of power and the concomitant heightening of the power and influence of the executive branches were clearly what Yeltsin had been hoping for all along. The new Constitution provided for a strong president which prescribed considerable barriers to impeachment and, significantly, the establishment of a constitutional basis for his powers of decree and appointment to, for example, the plenipotentiary representatives in the regions.

Several issues in terms of defining federal relations, however, had yet to be determined. One such issue concerned the formation of the Federation Council. Although the constitution established that it be made up of "two deputies from each subject of the Federation" which shall include "one from the representative and one from the executive bodies of state authority," it left for federal law to define the precise mechanism by which these two members would be chosen. Was the Federation Council to be made up of the *heads* of the regional executives and legislatures? And if so would they hold the two positions simultaneously or not? Or were they to be perhaps nominated by the representative and executive branches but then directly elected by the people?

The resolution of these questions was to have an obviously significant impact on the nature

of future centre-periphery relations. It would, to a large extent, determine the type of political resources each would bring to the bargaining table in the future division of powers and all issues of federal significance. As a result, this debate was highly politically charged as all the constitutionally defined major players - the Duma, the president, and the Federation Council, with the 60 governors that had been elected to it - sought to have their interests as well represented in the Federation Council as possible. The next chapter will trace this debate and endeavor to demonstrate how the process of forming the legislative basis for the upper house followed a dynamic that itself was determined by the rules of the game that emerged from the October crisis.

CHAPTER THREE

THE FORMATION OF THE FEDERATION COUNCIL - WHOSE INTERESTS WILL PREVAIL?

Introduction

The Federation Council is poised to play a significant role in Russia's developing federal system as in the development of Russia as a democracy. As the upper house of Russia's Federal Assembly, it influences directly the nature of reform through its influence over the legislative process. Since much of Russia's nascent political and economic systems has yet to be established either through legislation or through the development of widely accepted norms, what occurs now in the legislature will significantly influence what shape Russia's future will take.

Since the first Russian Republic ended with the tragic events of October 1993, the period since then has been much scrutinized by both domestic and international observers to determine the extent of the Russian political leadership's commitment to democratic principles. This determination will largely be judged by how the leaders of today accept the rules of the game that were established with the constitution. The relationship that the Federation Council and the members within it forge with both the Duma and the president has the potential to be a stabilizing force by offering a sober second thought and perhaps a less ideologically bound perspective. Given the history of dysfunction between Yeltsin and the Duma, the importance of the Federation Council's role has increased proportionately. It also has the ability to destabilize the system if the narrow, even personal interests of the members take precedence over the interests of Russia's regional development. In many ways this was decided by the events of 1995, during which

Yeltsin's idea of his Federation Council was more clearly articulated during the process of determining the legislative basis of the future Federation Council.

This chapter examines the debate that led to the current form of the Federation Council. This, in conjunction with the next chapter, will provide insight into how executive-legislative and centre-regional dynamics changed since the inauguration of the Federation Council and the strengthening of the executive branch at all levels of power. The outcome of the debate over the formation of the Federation Council is also instructive in the sense that it is here that the interests of the major political forces - the president, the Duma, and the Federation Council itself - are revealed. The same dynamic that occurred during the events that culminated in the October crisis were again perceptible after the October crisis. The constitution that was hurriedly put together in 1993 set the stage for a renewed battle for the support of the regional leaders when the issues that had not been resolved in the constitution came to the political fore. Even though the issues may have changed, the underlying principles remained the same. This time the desire to gain the support of the regions was embodied in a fight over the composition of the Federation Council and the desire to have the support of the governors present in the provisional Federation Council as well as those not represented in it during the Duma election campaign and the following presidential election.

The Federation Council - The First Years

Article 95, 2 of the constitution states that the Federation Council will be comprised of two members from each of the federation components, one from the legislative branch and one from the executive. It further states that the "formation" of the Federation Council after the provisional first two years will be decided by federal law. In contrast, the constitution provides expressly for

the election of the lower chamber of the Federal Assembly.

Although Yeltsin intended for the first Federation Council to include his appointed governors and the heads of the regional legislatures, he did not follow through on this for two reasons. First, his decision to disband the local soviets after the October crisis essentially meant that the Federation Council would be deprived of half its members and so required that they be directly elected along with the Duma on December 12, 1993. Secondly, because many of Yeltsin's governors, even those who had been appointed, did not support him unconditionally during his confrontation with the parliament, he chose to bypass them in favour of directly elected members. Under the terms of the final chapter of the constitution, the first term of the Federation Council and the Duma were considered provisional and so their terms were only for two years, unlike the normal term of office which was to last for four years.

Under the constitution adopted in 1993, the Federation Council has been given almost as much power as the Duma. It is to consider laws passed in the Duma, decide issues concerning the redrawing of internal borders and the setting of presidential elections. The Federation Council also has the right to veto legislation adopted in the Duma and to initiate legislation (Article 104, 1). As well, the constitution grants the right of legislative initiative to the government, both houses of parliament, the president, and the components of the federation. Significantly, the constitution provided for the senators of the provisional session to maintain both their seats in the Federation Council as well as in their localities. Paragraph nine in the constitution's section "Concluding and transitional provisions" states "Deputies to the Federation Council, during the first term, will exercise their functions on a periodic basis."

According to Article 105, section 3, legislation passed in the Duma must be sent to the

Federation Council where, in order to be sent to the president, it must be accepted by a majority of the senators. There are certain areas of legislation that, according to the Constitution, the Federation Council is required to debate. No law on the federal budget, taxes, international treaties, for example, can be passed without the express consent of the upper house. However, if a piece of ordinary legislation is not debated and voted on in the Federation Council within fourteen days, it is considered approved. This has become a significant problem given that the Council meets only infrequently and often when it convenes, the members are more interested in bringing local problems to the attention of the appropriate minister or the president than they are in attending sessions. As a result, reaching quorum has become an even greater difficulty in the Federation Council than in the Duma and the influence of the Federation Council's permanent staff is considerable. In fact, the senators' staff members have reportedly been known to develop two responses to legislation to be debated in the Federation Council to be presented to their senators - one pro and one against.¹

One of the primary tasks of the Federation Council is to provide a mechanism to facilitate interaction between the presidential structures, the Duma, the government and the regional authorities. Given its considerable powers and the historical antagonism between the president and the Supreme Soviet, Yeltsin was mindful that the Federation Council must not become yet another locus of the opposition. In the body of the constitution it is written that the Federation Council "can include no factions or associations."

In addition to the access that the Federation Council members received to the federal power

¹Jim Nichol, "Russia's Legislature," in Current Politics and Economics of Russia, Vol. 7, no. 2/3, 1997, p. 109.

structures, the senators also were granted considerable perks. At a meeting with a presidential representative in January 1994, the senators were “promised major privileges.” Pavel Borodin, a staff member of the president’s administrative office, informed them that the Federation Council would have allocated to it 500 “office” cars, a polyclinic, access to country houses, and large Moscow apartments.² Additionally, the senators were to have a limitless number of assistants to be paid from a fund managed by each member which is the equivalent of 80 minimum salaries.

The Terms of the Debate

Although the focus of this chapter is on the period after the October crisis, one of the central arguments in this thesis is that the rules of the game emerged during the period from 1991-1993 and that those rules determined the outcome of the debate on the formation of the Federation Council specifically and centre-periphery relations more generally. Yeltsin reformed the regional power structure so that the governors were in a very powerful position relative to other regional political actors, including the component legislatures and the municipal authorities. He did so anticipating that these actors, empowered by the president and appointed and removed by the president, would support him and his reform initiatives. These rules or institutions in Roeder’s terminology determined the relationship between Yeltsin and the regions by determining the types of choices that each could subsequently make. Yeltsin put the governors in a position that allowed them almost complete control over their regions but his subsequent actions towards the governors were constrained by this. Those governors that were powerful *and* popular were untouchable despite the fact that Yeltsin appointed them. By controlling access to information, most governors

²Lyudmilla Yermakova, “Federation Council Members Promised ‘Major Privileges’,” *Itar-Tass*. FBIS-SOV-94-007, 11 January 1994.

have constructed themselves in their regions as responsible politicians fighting with Moscow for the rights of their constituents. Recognizing that a great deal of their power is derived from the strength of their support in the regions, they have consciously tried to ensure their popularity in their regions *despite* the fact that they did not have to face the electorate until December 1996.

The unintended consequence of Yeltsin's regional reforms was that the governors were in a unique position to influence or even determine the outcome of elections as well as whether or not reforms are implemented. Arguably though, the control the governors exercised over the electoral process outweighed the influence they had on the progress of reform in terms of their bargaining position vis-a-vis Yeltsin. In many cases, reforms such as price controls and privatization were outright ignored in the regions, but rarely seemed to be grounds for dismissal. Even total mismanagement, such as what occurred in Primorskie *Krai* under governor Nazdratenko did not result in any action by the president until 1997. The governor of Primorskie *krai* and the mayor of the capital, Vladivostok, had been engaged in a destabilizing battle for several years. Mutual accusations of corruption and ineptitude culminated in the arrest of the Vladivostok mayor. This conflict threw the *krai* into a crisis. The situation was so bad that often the residents were without power for all but a few hours per day and deliveries of basic foodstuffs, such as bread, were frequently delayed due to financial mismanagement. I submit that this points to the fact that Yeltsin needed to maintain their support given their ability to influence his own electoral success. Failure to recognize this for Yeltsin meant that he could not be assured of winning the next presidential election. A careful examination of Yeltsin's policy position in terms of the debate on the Federation Council reveals that, in fact, he did recognize this constraint and acted according to the aspirations of the governors to be included in the Federation Council.

This dynamic stems from the weak link between the presidency and the electorate that must ultimately select him and from the power that was vested in the hands of the governors. As a result of these weak links and his persistent refusal to identify himself with a political party, Yeltsin must rely on intermediaries like the governors to build support for him. Because the governors have such power in their regions, the dependency of those vying for power has increased proportionately. Moreover, in terms of the political resources that each political actor brings to the table in trying to secure its interests, events such as Chechnia gave the regional elite additional leverage in the bargaining process. The reaction of the regions was considerably less than many had predicted, perhaps this was a result of Yeltsin's concessions to the regions, including his support in this issue of the formation of the Federation Council. In predicting Yeltsin's policy position therefore, the emphasis must be on the constraints that these rules, defined as Yeltsin's dependence on the governors, had on his subsequent behavior or choices. This approach then has tried to identify these rules in order to understand the patterns that have emerged in centre-periphery relations as a result of the way in which both the parliament but especially Yeltsin tried to use the regions prior to the October crisis but also after.

For their part, the governors have demanded certain concessions in exchange for support. The desire of the governors to be included in the upper echelons of power was evidenced by Yeltsin's creation of a myriad of different councils in the previous period all designed to give the regional leaders what they wished - a voice in Moscow and a means of influencing if not controlling policy making at the centre. After the October crisis, this did not subside and in the summer of 1994, a group of the governors approached Yeltsin with the suggestion that he create a Council on State Bodies of Government which was to include Yeltsin, Chernomyrdin and the

administrative heads or presidents of the 88 components.³ The republics in a similar vein, moved to have the Council of the Heads of the Republics reestablished. Although these initiatives “from below” did not come to fruition, they illustrate the extent to which the regional leaders value a place in the executive hierarchy. The Federation Council was no exception to this. During the debate on this, the governors, both those that had been elected to the provisional Federation Council and those who had not, demanded that they be included ex officio in the future upper houses.

These issues came into play with the debate on the law on the formation of the Federation Council. Since the provisional term was to end in December 1995, the debate began in earnest in the spring of 1995. On April 21 1995, the Duma voted down the president’s version of the law on the formation of the Federation Council which envisaged that it be comprised of appointed executive and representative heads of Russia’s component parts. 56 Duma deputies voted for the draft, 91 against with 9 abstentions. At the same time, upwards of 300 gave their unofficial support to an alternative draft proposed by the Duma that provided for direct elections to all the members of the Federation Council.⁴

In April, at the same time as the Duma was debating its drafts, the Federation Council debated two drafts of its own that reflected the disjuncture in the council between those who were governors and therefore supportive of Yeltsin’s initiative and those who were not. One draft was

³Nikolay Troitskiy. “Governors Storm the Bastions: Leaders of the Subjects of the Federation - A Play in Four Acts,” *Obshchaya gazeta*. FBIS-URS-94-088, 22 July 1994.

⁴FBIS-SOV-95-079, 21 April 1995.

submitted by Federation Council Chair Shumeyko and the other by another member, Yelena Mizulina. Where Shumeyko advocated an appointed upper house, similar in principle to the Canadian Senate or the British House of Lords, Mizulina envisioned a directly elected Council. Her draft also did not allow for council members to hold local and national positions simultaneously, forcing potential senators to choose.⁵

Arguably, if Yeltsin had been able to form the first Federation Council as he anticipated, with the governors and the legislative heads, this debate within the council would never have occurred. As it was, however, those who could not reasonably expect to attain the position of either the heads of the administration or the legislature were adamantly opposed to the president's plan of automatic appointments and so Yeltsin had to contend with the opposition of both the Duma, that wanted direct elections, and the provisional Federation Council. Those loyal to Yeltsin were supportive of his version. Vladimir Shumeyko, the council speaker, for example was from the beginning against the idea of elections to the Federation Council. He was quoted as saying that "election cannot be the principle of formation of the Federation Council."⁶ By contrast, Deputy Chairman Ramazan Abdulatipov believed that the Federation Council had to be elected through direct elections. "We need a working parliament. Important laws which determine the life of the entire country cannot be developed and adopted by making trips from the heartland once or twice a month. And the top leaders from the regions, which have many of their own problems which

⁵Thomas de Waal, "Elect or Appoint? Council Awaits Fate," in The Moscow Times, Wednesday, April 12, 1995.

⁶Anna Kozyreva, "How to Choose Senators, Order of Formulation of Federation Council Primarily Determines Whose Interests They Will Defend," *Rossiyskaya gazeta*. FBIS-SOV-95-136-S, 11 July 1995.

demand constant attention, are physically unable to meet in the Federation Council more often than that.” Another Deputy Chair, Valeryan Viktorov similarly voiced his support for the direct election of the council members. “If we want to have a professional parliament which is responsible to the population of Russia and which reflects the interests of the country, it would make sense to give preference to the upper house being formulated as a result of elections.”⁷

Shumeyko defended his position with the argument that having an upper house comprised of the regional leadership was essential to promoting a good, working relationship with the regions and the federal government as well as promoting the stability of Russia more generally. Those who supported Shumeyko’s draft expressed the opinion that a Federation Council organized that way would diminish the likelihood of another round of calls for separatism by providing the regional leadership with a stake in Russia’s future and an important role to play in Moscow.⁸ Not surprisingly, this argument conformed entirely to the argument of the governors.

This view of centre-periphery relations most closely conformed to that of the governors. Much like Yeltsin’s rationalization of his own concentration of power, the governors argued that a duality of power, such that may occur if they were not represented in the Federation Council, may lead to conflict and ungovernability. Again, this thinking is reminiscent of the idea that democracy can only be achieved through undemocratic means. Although there may be some precedent for this caveat, a democratic system requires a plurality of voices and actors that must be able and *willing* to reach compromises. The principle of the separation of powers, on which

⁷Ibid.

⁸de Waal.

the Russian Federation is predicated, is designed to prevent just such a concentration of legislative and executive powers. Only through a system of checks and balances can good government be achieved and any formula that does not allow for this has the potential to lead to authoritarianism.

The supporters of Mizulina's vision of a directly elected Federation Council, by contrast, expressed the opinion opposite to that of the governors. She herself said that Shumeyko's version was tantamount to "constitutional sabotage toward Russia" that would inevitably provide Yeltsin with inordinate powers vis-a-vis the parliament and therefore over the legislative process.⁹ Despite the presence of sixty of Yeltsin's appointed governors who had won in the 1993 elections to the council, it was clear at this early stage that Yeltsin would not easily win this fight. Recognizing that if both houses were opposed to his vision of an upper house comprised of part-time members, he would more than likely have to decree his preference, Yeltsin, nevertheless, remained firm and would not relent.

After having vetoed Yeltsin's version, on July 5 the Duma voted almost unanimously for a bill that provided for the direct elections of the Federation Council. The law established that the Federation Council would be formed by two representatives from all of the Russian regions. Candidates nominated jointly by the executive and the legislature would subsequently be directly elected. The law also stipulated that a minimum of one of the two senators is to work in the Federation Council permanently and exclusively. It stated "[o]fficials of legislative (representative), executive, self-government and judicial bodies, prosecutor's offices, career officers and other state officials may be registered as candidates to the Federation Council

⁹Ibid.

provided they take leave from the moment they are registered until election day.”¹⁰ Vladimir Isakov, the head of the Duma Legislation Committee, stated that the automatic appointment system as favoured by Yeltsin would be “undemocratic.” He argued that “if you just move people from one chair to another without any control, the people just do not come into the equation.” He further expressed the fear that if the council is not directly elected, “we would have an omnipotent president, like a general secretary in the old days.”¹¹

As this draft was being debated in the Federation Council, the disjuncture within the council itself over the issue of its formation was equally evident when it was being debated in the its various committees. While the Committee for Legislation was unanimously in favour of the Duma version of the law, the Committee for Federation Affairs just as unanimously opposed it. While the draft was being debated on the floor of the council, Shumeyko, Yeltsin’s ardent supporter realized that the Duma’s draft had quite a lot of support and so, prior to the vote, he called for a break and, not coincidentally, after the break quorum could not be met, and so the vote did not take place.¹²

On July 27, 1995, the Federation Council voted in favour of the law “On Forming the Federation Council of the Federal Assembly” that had been passed in the Duma on July 5. The minimum required to pass a law, 90 senators, voted for the law with 61 voting against and 9 abstentions. It was no coincidence that 61 members voted against and there were 60 governors

¹⁰“Federation Council Approves Law on Its Own Formation,” *Interfax*. FBIS-SOV-95-145, 27 July, 1995.

¹¹Leonid Bershidsky, “Duma Passes Bill Requiring Elections to Upper House,” in The Moscow Times, Thursday, July 6, 1995.

¹²FBIS-SOV-95-145, 25 July, 1995.

among the voters. The governors acted to protect their interests and their place in the upper echelons of the political hierarchy. After the vote, Shumeyko articulated this thinking about the role of the Federation Council and the place of the governors within it,

[t]his house is not meant to be a legislature or an extension of the Duma. It is meant to be a place where people who make decisions in the regions can represent these regions. Look who has voted in favour of this bill: None of them are governors and none of them are responsible for a single thing in the regions.¹³

Significantly, however, the law would have come into effect even without these results because the council failed to consider the draft in the two week time limit prescribed by the constitution. Reaction on the part of those in favour of Yeltsin's version was predictably negative. Vladimir Shumeyko commented that "the president as the guarantor of the Constitution is not entitled to sign a law running counter to the Constitution."¹⁴

It is important to keep in mind the context here. This issue was being debated just a few months before the Duma elections. Since Yeltsin's sympathizers had not been uniformly successful in the 1993 elections, he must have been aware that a change in strategy from that time was in order. As a result, Yeltsin and Chernomyrdin were trying hard to include the regional elites into the "party of power" as part of presidential initiative that would see only two pseudo "parties" - a pro and anti-government party - run in the forthcoming Duma elections. In return, the regional leaders were offered compensation in the form of funds from party coffers that would go towards their own election campaigns.

¹³Ibid.

¹⁴"Federation Council Approves Law on Its Own Formtion," *Interfax*. FBIS-SOV-95-145, 27 July, 1995.

The lack of an established political party supportive of the president and the government meant that it was necessary to strengthen their linkages to those who had a vested interest in seeing him maintain power. To do so, however, required that he establish himself as instrumental to the regional leaders that he was trying to woo and whose support was crucial. This was more critical in Yeltsin's case than for the Duma deputies in that the president was much more isolated from the electorate and so needed a surrogate party through which to garner support.

Despite Yeltsin's need for a party that was dependent on his support, this initiative largely failed to develop and during the Duma elections of 1995, more than the two blocs were represented. It is, nevertheless, suggestive of Yeltsin's position vis-a-vis the regional elite and the influence that his decision not to affiliate himself with a particular party had on his room to maneuver around election times. Because of this, Yeltsin was still bound to the governors and had to entice them into his "party of power" using ad hoc, often inconsistent strategies, including offering them a position in the Federation Council. Since many governors ran their regions almost like fiefdoms, with considerable powers of appointment themselves, they were instrumental in securing electoral success. This gave them considerable leverage in securing for themselves a position at the centre of Russian politics, in the Federation Council.

The possibility that Yeltsin would ultimately decree his preference in order to satisfy the demands of the governors seems to have figured quite prominently into Yeltsin's strategy. After the July 5th draft was passed in the Duma, Sergei Filatov, Yeltsin's chief of staff, was quoted as saying that the president would definitely veto the Duma version if it reached him. Moreover, he suggested that if the Federation Council did not ultimately reject it, Yeltsin "will be forced to form the chamber by decree."¹⁵ Not bound themselves by concerns of the constitutionality of

decreeing the formation of the Federation Council, Yeltsin had the clear support of the governors. At a conference of governors and legislature heads held in September, the participants agreed that it would be preferable for Yeltsin to issue a decree on the formation of the Federation Council that allowed for the automatic inclusion of the heads of the legislative and executives branches, than to allow either the Duma or the Federation Council in its current composition to decide the issue.¹⁶ Later, in September, Yeltsin again raised the possibility of creating the council by decree, one even less advantageous. In it, he promised that it would be formed by the heads of the legislatures and the heads of the executive branches and that it would also include “four or five persons from the federal bodies of power.”¹⁷ Yeltsin demonstrated his disdain for the version of the law passed by the Duma and the Federation Council and its significance to him as on the same day that it was passed Yeltsin met with Duma Chairman Rybkin to discuss it. Yeltsin said that he “drew the attention” of Rybkin to the way the law “contravenes the Constitution.”¹⁸

During this debate, the role of the constitution in political processes was again revealed. Yeltsin in particular, but also the Duma have consistently demonstrated their propensity to use the constitution in any way that suits their interests. Yeltsin brought the constitution into the discourse, claiming that it did not contain provisions for the direct elections of the members of

¹⁵Leonid Bershidsky, “Upper Chamber Faces Fateful Choice,” in The Moscow Times, Friday, July 21, 1995.

¹⁶ “Conference Urges Yeltsin Federation Council Decree,” *Interfax*, FBIS-SOV-95-184, 22 September 1995, p. 24.

¹⁷“Text” of Yeltsin’s 8 Sep News Conference,” *Moscow Russian Public Television First Channel Network*, FBIS-SOV-95-175, 11 September 1995, p. 35.

¹⁸Lyudmila Nefedova, “Sick and Tired of Being a Good Child,” *Rossiia*, FBIS-SOV-95-134, 13 July 1995.

the Federation Council and at the same time threatened to force through his preference by issuing a decree. This, of course, would have contradicted the provisions of the constitution, which dictated that only the parliament is empowered to legitimately pass legislation on the formation of the Federation Council. Moreover, his preference clearly contradicted the constitutionally enshrined principle of the separation of legislative and executive functions. This use and misuse of the constitution has become an ongoing theme in post-Soviet Russian politics and augers badly for Russian stability. It undermines the potential that the constitution may have otherwise had on bringing order to the political system and systematically undermines its legitimacy.

True to his word, Yeltsin did quickly veto the law to which both houses gave their assent. During the September session of the Duma, the president repeatedly put pressure on both houses to pass a bill or he would issue a decree on the subject. Yeltsin's powers of decree, provided for in the constitution, have added a somewhat unique dimension to the legislative process. In cases where the Federal Assembly and the president have competing visions, competing interests, Yeltsin can and has threatened to simply "go around" parliament and decree his preference. The Duma deputies themselves are acutely aware that often the president contravenes the constitution by claiming that the parliament was again acting "uncooperatively." A conciliatory committee to try and work out a compromise law was established but by mid-September little significant progress had been made.

Both Yeltsin and the governors had a vested interest in having the Federation Council be comprised of the heads of the regional legislatures and the executives rather than standing for direct elections. For Yeltsin, as long as the Federation Council was comprised of members that are otherwise occupied in their home regions, whose source of their power and elite status is

largely derived from their positions in the regions, their allegiances and interests will remain there. This makes them more easily swayed by offers of central largesse for which Yeltsin is famous. Rather than filling the Federation Council with members that are entirely devoted to being Yeltsin's opposition, he preferred instead to have an upper house whose membership's political fortunes were tied much more to the fate of their own regions than to the political gains that they score against Yeltsin. Moreover, he may have reasoned that including the governors in the Federation Council *ex officio* may also have a stabilizing effect on centre-regional relations. In this regard, the Federation Council with its power of legislative initiative was a political necessity for Yeltsin who anticipated being able to buy the support of the regions at crucial times in exchange for concessions such as favorable bilateral treaties and potentially create a more stable environment in which to pursue his reform.

By contrast, the Duma had few levers of influence and had hoped that a directly elected Council would return a membership more closely resembling its own. A Federation Council made up of governors and regional legislatures are simply not able to act as an effective house of parliament. In the event that many pieces of perhaps crucial legislation go undebated in the upper house, the result may be that presidential decrees continue to supplement what the two houses cannot accomplish. Moreover, many in the Duma argued that a Federation Council comprised of governors and legislature heads would pay no heed to issues of national importance, focusing only on local issues. In this case, the Duma reasoned, they would not have the ally they had hoped for in the Federation Council.

By contrast, the levers of influence that the president had vis-a-vis the regional leaders are considerable and could easily be used to influence the way that an upper house organized on that

principle may behave. Ramazan Abdulatipov, a then Federation Council member, lamented the functioning of the Federation Council and in so doing highlighted the potential influence the president could have over senators who are also administrative heads. He remarked that

[a governor who] has left for the session, say, from Khabarovsk and has spent nine hours in a plane, comes there already exhausted, and in the afternoon he has to go to the ministry to straighten out his problems....Back in his region, pipelines are coming apart, and he is on pins and needles in Moscow. He is doing his best not to go to the session.¹⁹

Anticipating that the regional leaders would be much more pragmatic than their Duma counterparts and following the wishes of the governors, Yeltsin refused to bend to the will of the Duma or the Federation Council on this issue.

It is important to remember that at this time, most of the regional governors or executive heads were appointed by Yeltsin. For them to be automatically included in the future council, then, would mean that Yeltsin's appointees would gain automatic entry into the upper house. As a result, a parallel debate was taking place at the same time over the status of the governors. The outcome of the debate on the formation of the Federation Council was significantly influenced by the results of this other, related debate.

The long-standing practice that Yeltsin appoint the regional governors began with his August 22, 1991 Decree No. 75. "On Some Questions of the Activity of Organs of Executive Power in the RSFSR," that first established that the regional governors would be appointed. This procedure was again reaffirmed that year in his November 25th decree "On the Procedure for Appointing Administrative Heads." Finally, on October 4, 1994 the decree "On Measures To

¹⁹Yelena Tregubova, "Ramazan Abdulatipov Criticizes Senators and Sympathizes With Them. He Likes 'Our Home's' Host, But Is Worried About The Size of the 'House'," *Segodnya*. FBIS-SOV-95-106, 2 June 1995, p. 36.

Consolidate Unified System of Executive Power in the Russian Federation” established that, “until a different procedure is put in place by federal legislation,” the scheduling of elections to all the heads of regional administrations, whether appointed or elected, will fall under the exclusive purview of the president.²⁰ With this decree, Yeltsin established a legal basis for the authorities of the governors since a decree during the October crisis rendered invalid the only existing law on regional authority. He also established that the powers of the appointed governors would be equal in every way to those of the few elected governors.

Seeking to remove the administrative heads from Yeltsin’s control was a preoccupation of both the Duma and its predecessor, the Supreme Soviet but this issue became even more significant with the possibility that the upper house would be comprised of these appointees. On April 7, 1995 the Duma adopted in the third reading a draft law “On Organization of the Organs of State Power of Federation Entities.” This law established, among other things, that “the highest official of an entity of the Russian Federation is elected by the citizens who reside therein...”. Recognizing that this decree in its original form had little chance of passing through both the Federation Council and the president, it also included provisions for the maintenance of the appointees until such time as the “Russian Federation entity adopts its charter.”²¹ Despite this apparent concession, however, both Yeltsin and the Federation Council rejected the law. The Senate Federation Affairs Committee adopted a resolution on the draft, stating that this law spells out in detail forms an procedures for the operation of regional

²⁰Text of “On Measures to Consolidate Unified System of Executive Power,” *Rossiyskaya gazeta*. FBIS-SOV-94-194, 6 October 1994, p. 19.

²¹Vladimir Yemelyanenko, “We Shall Elect Everyone, But Not Right Away,” *Moskovskiye novosti*. FBIS-SOV-95-087, 5 May 1995, p. 25.

bodies of state power, something which violates the constitutional rights of Russian Federation components....passing this law in its present form would, far from speeding it up, slow down the establishment of statehood in Russia's component parts.²²

On May 26, 1995, the Duma voted unanimously to send to the Constitutional Court Yeltsin's October 1994 decree. The Duma argued that it contradicted the October 1991 law "On the Election of the Heads of Administrations" that required that the regional governors be directly elected. Also on May 26, the Duma sent an appeal to Yeltsin, requesting that he schedule elections for the governors simultaneously with the December 1995 Duma elections.²³ Significantly, it was not only the Duma that was in favour of holding elections to the position of governor. Pressure on Yeltsin to schedule elections also came from many of the appointed governors as well as from the Federation Council itself. The governors wanted to secure for themselves the best possible bargaining position towards the president and so were largely in favor of holding gubernatorial elections. Even though they had secured for themselves considerably freedom from Yeltsin's interventions by virtue of their position in the regions despite being appointees, direct elections would only strengthen their position.

In Nizhniy Novgorod, for example, Boris Nemtsov, in conjunction with the *oblast* Duma, adopted a charter in May 1995, that called expressly for these elections to be scheduled as soon

²²Yelena Tregubov, "Senators Dislike Duma Law on Regional Authorities. Lower Chamber 'Goes a Bit Too Far' Trying To Lay Down Rules for Provinces," *Segodnya*. FBIS-SOV-95-069, 11 April 1995, p. 38.

²³Paul Kuznetsov, "Duma Recommends Holding Local Elections in Dec.," *Itar-Tass*. FBIS-SOV-95-103, 30 May 1995, p. 44.

as possible.²⁴ A similar situation occurred in the Sakhalin *oblast* after Yeltsin appointed his third governor. Instead of resolving the conflict between the governor and the legislature there, this appointment even further raised the ire of the *oblast* Duma, leading to their calls, in the name of the *oblast* citizens, for the direct election of the governor.²⁵ The case of Sverdlovsk *Oblast* is also instructive here in that it was there that the *oblast* Duma independently set a date for the election of its governor.²⁶ Both Eduard Rossel of Sverdlovsk and Nemtsov won the right to elections, provisions for their election were even put into Yeltsin's September decree on the status of the governors. Several governors even outright defied the president and stood for popular elections.²⁷

It is important here to understand both the reasoning behind their and other governors' desire for elections as well as the influence they had on Yeltsin's decision vis-a-vis this issue. From the governors' perspective, there were two primary motivations for seeking emancipation from Yeltsin. First, because of their status as Yeltsin's appointees, they bore a certain responsibility for his policies in that, often, they were perceived as the president's representatives rather than independent politicians. As a result, they sometimes lacked a certain credibility in their localities. Secondly, by being elected rather than appointed, the governors could insulate themselves from changes of leadership in Moscow or from Yeltsin's changes in temperament.

²⁴Ye. Maslova, "Gubernatorial Elections: The Deputies Have The Floor," *Nizhniy Novgorod Nizhegorodskiy novosti*. FBIS-SOV-95-093, 15 May 1995, p. 34.

²⁵FBIS-SOV-95-093, 15 May 1995, p. 38.

²⁶Vadim Chelikov, "Decision by Sverdlovsk Duma Defies Moscow," *Moscow News*. FBIS-SOV-95-096-S, 18 May 1995, p. 35.

²⁷Yemelyanenko, FBIS-SOV-95-087, 5 May 1995, p. 25.

Moreover, elections secured for them a wider degree of independence in their actions. Of course there were exceptions to this rule. Some of the governors were not anxious to go before the electorate for fear that they would not be elected. Rather it was the strong governors, governors who had built themselves a strong following in their regions that were the most vocal in their preference for elections. And it was precisely because many of the governors had such a base of support that Yeltsin could not risk alienating them.

In Russia, political resources are more often than not the means to economic resources. Interbudgetary transfers, rather than being calculated on the basis of need, are based on only one criterion - political power. In the period leading up to the October crisis, it was clearly those regions that threatened separation, and those leaders who commanded a great deal of power and influence in their regions, that received the largest transfers from the centre.²⁸ In several instances, donor regions have lower living standards than regions that are net recipients. A place in the Federation Council and gubernatorial elections could only bolster their ability to extract resources from the centre and define the terms of their fiscal and political relationship with Moscow. And it would not lessen Yeltsin's dependence on them, but strengthen it.

This dynamic is clearly illustrated in a personal anecdote that was reported in a Russian newspaper. It was reported that prior to the gubernatorial elections, scores of governors flooded to the president's office demanding resources to ensure their election. This has become somewhat of a joke in Moscow. The reporter wrote that,

In capital today the longest lines are at the door of Government Chairman Viktor Chernomyrdin and Presidential Staff Chief Anatoliy Chubays. Both

²⁸Daniel Treisman, "The Politics of Intergovernmental Transfers in Post-Soviet Russia," In British Journal of Political Science, Vol. 26, 1996, p. 299.

are full of governors though you do also meet presidents. Each asks: 'Give us a billion, give us a billion!' When I met the premier once he described this nationwide greed as a 'natural disaster' and uncharacteristically for him even complained: 'One comes along, then another, and yet another again... They all say the same thing. If you do not help me out with funds I will lose.' Of course, they request money for the social sector - budget sector wages, pensions, and allowances. But we already know from experience: It can simply get diverted [to fund their election campaigns]. At the 'White House' something happened recently that is an absolutely perfect topic for anecdote: An esteemed leader of an esteemed region was going around the offices of highly placed individuals and literally blackmailing them: 'If you do not set aside 200 billion for me, I will not stand at all! Let the communists come to power!'²⁹

Reminiscent of Brezhnev's loyal cadres policy in the regions, for Yeltsin, then, it was essential to maintain good relations with the governors, who themselves commanded so much power. He needed them to mobilize support behind both his own campaign for the presidency but also in order to help Chernomyrdin's bloc "Our Home is Russia" that was slated to run in the December 1995 Duma elections. This rationale is clearly demonstrated in his decision to allow the election in Sverdlovsk. Yeltsin removed his appointee, Eduard Rossel, in 1993 following Rossel's vocal campaign to turn his home *oblast* into a republic, with all the attendant privileges. Rossel, however, was very popular and after he was dismissed by Yeltsin, Yeltsin's popularity began to wane in Sverdlovsk.³⁰ It was with this in mind that Yeltsin, fearful of the consequences of further alienating Rossel, allowed him to run for governor since it was preferable to have a potentially supportive, popular but elected governor than an unpopular, appointed governor. In

²⁹Aleksandr Gamov, "Give Us a Billion! Panikovskiy, the Well-Known Governor of the Island of Borneo, Begged All of a Million off of Koreyko. But Our Governors Are Not Asking the Kremlin for Any Less Than 300 Billion for Their Election Campaigns," *Komsomolskaya pravda*. FBIS-SOV-96-189, 25 September 1996.

³⁰Aleksandr Pashkov, "An Exclusive for Rossel?" *Izvestiya*. FBIS-SOV-95-009, 23 May 1995, p. 44.

fact, Rossel since then has become one of Yeltsin's more vocal allies among the elected governors. As well, an article that appeared in *Nezavisimaya Gazeta* in January 1996 claimed that an official document from the presidential administration that had been leaked to the press had explicitly cited this as Yeltsin's rationale for stalling the gubernatorial elections and for replacing several governors prior to the election.³¹

But Yeltsin was still unwilling to allow Russia-wide gubernatorial elections before June 1996, the date of the presidential elections since there was no guarantee that his supporters would fare well. At a meeting between Yeltsin and several governors held in early July 1995, it was made clear by the president that the elections for the heads of the regional executive branches will not be held before the presidential elections scheduled for June 1996. Despite the exceptional elections held before then, as was the case in Sverdlovsk, Yeltsin's staff members were quoted as saying that they "see no grounds for globally changing the system of appointment rather than of elections for heads of administrations which developed and became firmly established under the current president."³²

There is additional evidence that suggests that Yeltsin's concern was primarily the timing of the election and that as early as summer 1995, he was planning to issue a decree that allowed for gubernatorial elections to proceed after June 1996. After the Nizhniy Novgorod *Oblast* adopted its charter and corresponding law on elections to its governor, it received a statement

³¹"Politicheskie nastroyeniya regional'noy administrativnoy elity Rossii," in *Nezavisimaya gazeta*. 26 January 1996. pp. 3-4.

³²Yelena Tregubova, "Governors Discuss Budget Message With President. Elections for Governors Will Start Only After Elections for President." *Segodnya*. FBIS-SOV-95-128, 5 July 1995, p. 19.

from the Russian Federation Central Electoral Commission that called into question certain of the *oblast* law's specific provisions and requested that they amend it to conform to the forthcoming Russian law on the issue of gubernatorial elections.³³ After the Federal Assembly reconvened for its fall session, Yeltsin again made a statement that suggested that at issue was not whether or not elections were going to take place, but rather when. At a press conference in early September, Yeltsin made a statement to this effect. He said "I am allowing elections of the heads of administration. I am allowing elections to those who want them, one by one....I will allow these elections to be held because the democratization of society will lead us to having to do that everywhere."³⁴

Finally, on September 18th, the question of both whether and when the elections to administrative heads would take place was resolved. Yeltsin's decree "On Elections to the Bodies of State Power in the Constituent Parts of the Russian Federation and to the Bodies of Local Self-Government" established that elections to the remaining appointees would be held in December 1996, six months after the presidential elections.³⁵ It would appear that, rather than the Duma's influence, it was the groundswell of support for gubernatorial elections from the regions and the governors themselves just before the presidential and parliamentary elections that proved to be the

³³Vyacheslav Chebanov, "Nizhniy Novgorod Deputies Put Off Forming Commission For Gubernatorial Elections. Central Electoral Commission Urges That Local Law Be Brought Into Line With Federal Law," *Segodnya*. FBIS-SOV-95-145, 28 July 1995, p. 48.

³⁴""Text" of Yeltsin's 8 Sep News Conference," *Moscow Russian Public Television First Channel Network*. FBIS-SOV-95-175, 11 September 1995, p. 35.

³⁵Text of "On Elections to the Bodies of State Power in the Constituent Parts of the Russian Federation and to the Bodies of Local Self-Government," *Itar-Tass*. FBIS-SOV-95-181, 19 September 1995, p. 29.

decisive factor in resolving this issue. Because many regional dumas themselves adopted charters or passed laws that established a legislative basis for gubernatorial elections, Yeltsin was prompted to act in order to control the electoral process. Since he wanted these elections to at least be held after the June election, he was forced to act because many of the regions declared their intention to proceed with gubernatorial elections in December along with the Duma elections regardless of Yeltsin's wishes. For Yeltsin this was impermissible and, in response, he usurped their momentum by issuing his September decree.

Despite this, however, the issue of how the Federation Council was to be formed was yet to be settled. In response to the impasse that had developed over this issue, Yeltsin appealed to the Constitutional Court to shed light on the meaning of the constitutionality of electing the council members. Sergey Filatov, the Chief of the Presidential Administration appealed to the Duma deputies to reconsider their position of the formation of the Federation Council. He reasoned that if "a region is headed by one person and represented by another. Such 'duality of power' can lead to an unnecessary 'war'." ³⁶

In October, after Yeltsin had vetoed the draft passed by the Duma and the Federation Council in July, the Duma set about drafting yet another bill. Recognizing that Yeltsin would never consent to a bill that did not contain provisions for the automatic appointment of regional legislature heads and governors, in October the Duma drafted a bill that allowed for Yeltsin's demands. Interestingly, this draft stipulated that it would not allow for the presence of any appointed governors. In direct contradiction of Yeltsin's earlier decree and illustrative of the type

³⁶Lyudmilla Yermakov, "Filatov on Federation Council Formation Issue." *Itar-Tass*. FBIS-SOV-95-184, 21 September 1995.

of political posturing that characterizes Duma- presidential relations, this draft established an eight month period during which elections to the post of regional administrative head would have to take place.³⁷ Since this bill was tabled in October, eight months from then would have placed elections to the governors in May 1996, one month before the presidential election scheduled for June 1996. Predictably, Yeltsin returned this draft citing “procedural violations.”³⁸

From this gesture, Yeltsin’s motives were clearly illustrated. Instead of vetoing the bill as he had with past drafts, he returned it since it complied with virtually every one of his stipulations, except the timing of the elections. Here again we can see clearly the importance of the governors to both Yeltsin and the Duma. While the president wanted to maintain his appointees until after the election, the Duma was intent on wresting them from Yeltsin’s grip. The Duma, anticipating that direct elections to the governors would return governors that were perhaps more supportive of their views, wanted to see these elections held before June 1996.

Nevertheless, this draft represented a dramatic departure for the Duma from its initial position of a directly elected Federation Council. Two issues seemed to be key in this apparent change of heart. It is important to keep in mind that, at the time, the alternative to bending to Yeltsin’s will seemed to be no upper house at all. In this event, the future Duma and all its work would be open to questions of constitutionality. It would also have provided Yeltsin a further opportunity to decide crucial issues by decree. One Duma deputy, who grudgingly voted in favor, had this to say,

³⁷Leonid Bershidsky, “Compromise Set On Upper House,” in The Moscow Times, Thursday, October 12, 1995.

³⁸Leonid Bershidsky, “Short, Sweet: Duma Passes Bill on Council,” in The Moscow Times, Saturday, November 18, 1995.

I will not attempt to conceal the fact that this version of the bill was endorsed by the president....If we try to go for the big prize, we may not get anything at all, and the Russian parliament will not be able to fly on one wing.³⁹

The second event, and probably the most significant reason for the Duma's reversal concerns the September decree on the status of the governors. It was no coincidence that only after Yeltsin made formal his commitment to holding gubernatorial elections did the Duma agree to the automatic appointment of the governors to the Federation Council. Even though the gubernatorial elections would not be held before the presidential election, at least the governors would not be indefinitely appointed. In fact, from this moment on, the conflict between Yeltsin and the Federation Council itself took centre stage with the Duma becoming an odd ally of the president.

Despite the preference of most of the governors for a Federation Council that provided for their automatic inclusion, the provisional Federation Council was not united in this preference. Many of the then council members were not heads of regional legislatures or executives and so were in favor of direct elections. They were fearful that in the future they would not be elected to either the position of regional legislative or executive head and so would be denied access to the Federation Council and the power and resources that come with it.

Despite the Duma's reversal, the Federation Council rejected the Duma's last bill. Finally, the Duma bypassed it altogether by submitting their draft directly to Yeltsin for his signature.⁴⁰ On December 5, 1995, Yeltsin signed the law "On the Procedure for Forming the Russian Federation Federal Assembly Federation Council." This law, proposed by Duma Deputy

³⁹Ibid.

⁴⁰"In the State Duma," *Rossiyskaya gazeta*. FBIS-SOV-95-220, 14 November 1995.

Chairman Artur Chilingarov, “envisions composing the Federation Council of popularly elected governors and parliamentarians from constituent members of the federation. Regions having appointed rather than elected governors are to hold their elections by December 1996. The document does not provide for the presence of federal officials in the Federation Council.”⁴¹

Yeltsin supported this latest draft from the Duma despite the upper house’s vehement objections. Since Yeltsin had already conceded that he would not be able to indefinitely postpone the elections to the governors and maintain his formal commitment to democracy, at least in this scenario he would be able to postpone elections until after the presidential elections. Given that the support of the governors was crucial to Yeltsin’s electoral success, this represented a significant gain. Since this draft stated that the Federation Council could not sit until quorum could be reached, Yeltsin consented to the elections of eight governors before the June presidential election, which would bring the number of elected Federation Council members to 120 or two-thirds.⁴²

Perhaps what the outcome of this debate most vividly demonstrates is the way Yeltsin’s short-term political calculations take precedence over longer-term stability or even legality. By forming the Federation Council with the heads of the executive and legislative branches, Yeltsin, in conjunction with the governors, created an upper house with an inordinate amount of power. The ability of this house to influence Russia’s future political processes would be difficult to overstate. The fact that it combines both legislative and executive functions, not only clearly

⁴¹“Shumeyko Says Federation Council Will Reject Duma Bill,” *Interfax*. FBIS-SOV-95-227, 24 November 1995.

⁴²Leonid Bershidsky, “Upper House Likely to Extend term,” in The Moscow Times, Thursday, October 26, 1995.

contravenes the constitutionally enshrined separation of powers, but provides the members within it, most notably the governors, a voice in every piece of legislation that relates to the regions. Since they are at the same time the heads of the regional executives, this situation opens wide the possibility that any piece of legislation that threatens their position in the regions or their relationship with the local economic elite may be summarily rejected, perhaps to the detriment of democratic development.

We will see in the next chapter how these two powerful interests - the president and the Federation Council and the governors - clashed over the issue of local self-government. For Yeltsin, the opportunity to break the power of the governors, a power that he himself created, came with the opening up of the discourse on municipal reform. We can see here how Yeltsin attempted to create a counterweight to the governors in the regions by strengthening the position of mayor, including advocating that they control the process of privatization and exercise considerable control over taxation, something previously controlled by the governors. What is particularly significant here is how the Federation Council acted to defend its interests against this possible encroachment on its exclusive domain.

CHAPTER FOUR - A COUNTERWEIGHT TO THE GOVERNORS?

Introduction

During the Soviet era, the organs of state power at the local level, the local soviets, were, arguably, the most important regional structures. Especially in terms of providing social services to the local populations, the local soviets were the first line. The regional or republican structures were arguably mere outposts for the General Secretary's political allies. In October 1993, when Yeltsin took steps to subordinate the legislative bodies at all levels to his vertical chain of executive power, he greatly empowered those same actors that use to be reserved for allies, the governors. He did this by not only subjugating the regional legislatures but also by reforming the local structures. Yeltsin's decrees established that the executive or regional governors would exercise control, at least temporarily, over the appointment of all local level heads of administration and executive control over the process of adopting of budgets at the local level and gave them control over local taxation.¹ This, in conjunction with his reform of the regional legislatures, left the heads of the administrations virtually unrivaled in their regions. Yeltsin's October 1994 decree "On Measures To Consolidate the Russian Executive Branch" introduced a norm which held that any future "formation, reorganization, and liquidation of federal power

¹Peter Kirkow, "Local Self-Government in Russia: Awakening from Slumber?" in Europe-Asia Studies, Vol. 49, no. 1, 1997, p. 44. The term "local" is used in the same sense as Peter Kirkow in his article on local self-government in Russia. It refers to the governing structures below the all- regional level, including cities, city boroughs and rural areas.

bodies located in the regions shall be done in coordination with the administration heads.”² They developed strong ties to the regional economic powers and often implemented reform or failed to in order to strengthen those ties. Together, the political and economic regional elites’ control over the political and economic sphere allowed them to exert undue influence over the local citizens by controlling their access to jobs, social services, and positions of influence.

By empowering the governors and trying to secure their accountability to him by appointing and removing them, Yeltsin sought to use them to increase his ability to exercise control over the reform process in the regions but also to secure for himself regional allies that would be in a position to influence or perhaps even determine the outcome of the coming Duma and presidential elections. Because of their control over information and resources, the governors were in unparalleled positions of influence in this regard. Yeltsin, however, probably overstated his ability to control the governors, despite his appointment of them. And, as the debate on the formation of the Federation Council revealed, Yeltsin was more bound to the governors than the reverse. Having established themselves as the unchallenged power of their regions, the governors were powerful in their own right and so secured for themselves a considerable degree of independence from the president. Yeltsin, anticipating being able to use the governors for his own purposes, thus lost control over them in many cases even before they won the right to stand for election.

The governors used Yeltsin’s reliance on them to increase their access to federal power structures and to safeguard their privileged positions in the regions. Ensuring that no actor could

²Anna Melnikova, “Aide Assesses Presidential Decree on Executive Power,” *Itar-Tass*. FBIS-SOV-94-196, 11 October 1994, p. 25.

rival their power in the regions, the Federation Council reflexively moved to block any attempt to redistribute power away from the governors. Because the provisional Federation Council contained at least 60 governors, they were in a position right from 1993 to influence the legislative process in the Federal Assembly. Boris Nemtsov expressed this well when he said that, even appointed, the governors represented a political force to be reckoned with and that no decision could be adopted in the Federation Council without the approval of most of the governors present.³ Nowhere was this more evident than during the debate on local self-government.

Phase I - The Process of De Facto Devolution

In terms of the chronological order in which legislation on local government appeared, the first piece of legislation was the 18 October 1989 law “On General Principles of Local Self-Government and Local Economy in the USSR” which was approved by the Supreme Soviet. Subsequently, the Russian Federation law “On Local Self-Government in the Russian Federation” was approved also by the then Supreme Soviet on 6 July 1991. The definition of local self-government as written in this law, Article 1 “Local (territorial) self-government in the Russian Federation is a system for organizing the activity of citizens for independent (their own responsibility) solutions to problems of local significance...” This law, however, had several flaws, including the lack of a legislative basis to delimit powers between the various levels of government, nor did it directly address the issue of whether or not local government would be part of the state structure or not. These questions would persist unanswered for several years and

³Ye. Maslova. “Gubernatorial Elections: The Deputies Have the Floor,” *Nizhniy Novgorod Nizhegorodskiye novosti*. FBIS-SOV-95-093, 15 May 1995, p. 35.

would plague the movement for establishing real authority for the municipalities in Russia. Little movement occurred during the first years of reform.

Until 1993, Yeltsin gave the components considerable latitude in terms of determining the type of municipal organs they preferred and also the power of the local governments. Many components took advantage of this opportunity to set their own guidelines. The Kabardino-Balkarskiy Republic adopted the law "On Local Self-Government" as early as 1991. Many of the components, particularly with ethnic dimensions, cited their distinct traditions as a rationale for following their own course in terms of organizing the localities. An article in *Kabardino-Balkarskaya Pravda* wrote that, when considering issues of self-government, "we simply must take into consideration the national and ethno-cultural traditions."⁴ Unfortunately, many regions used the opportunity to direct the process of local self-government to assume for themselves powers that otherwise would have been in the competence of the municipal authorities.

The right to local self-government was enshrined in the constitution that was adopted in 1993. The constitution states that "[l]ocal self-government in the Russian Federation guarantees independent resolution by the population of questions of local significance, and ownership, use, and disposition of municipal property. 2. Local self-government is implemented by citizens by means of referendums, elections, and other forms of direct expression of the people's desire through electoral and other organs of local self-government." During the first period after the October crisis, however, despite his apparent consolidation of power and despite his formal commitment to the principle of local self-government, Yeltsin did not take any measures or play

⁴Zaurbi Nakhushhev, "Personified Power Is Personified Responsibility," *Kabardino-Balkarskaya pravda*. FBIS-SOV-95-139-S, 13 July 1995.

any role in ensuring that this fundamental right was able to be exercised by Russia's citizens. Instead, Yeltsin continued to allow the governors to enjoy virtual free reign and to themselves decide how they would prefer to resolve this issue and supported them when they chose not to.

Any examination of Russian political processes must begin with the recognition that, to be meaningful, one must look at both the formal-legal structure as well as the way politics are actually played. After the constitution was adopted, the basis for local-self government was established in full conformity with the Council of Europe guidelines vis-a-vis local government. This, however, provides us little insight into the actual status of local self-government. Often, issues are debated and decisions made that never actually move from the floor of the Federal Assembly to the stage where they are actually implemented. Allowing the governors to consolidate their power in the regions had been one of Yeltsin's strategies. He anticipated being able to use his appointees to control the regions. Absolute power, however, corrupts and, once established, is difficult to check.

This situation did not go entirely unnoticed in all the corridors of power. While most were content to maintain the status quo, especially the regional elite and apparently Yeltsin, the Duma, recognizing that Yeltsin was trying to use his executive vertical to control the situation from the centre to the localities, put the issue of local self-government squarely on the political agenda. In February 1994, the Duma passed two decrees on the issue of local self-government including one to ensure the "constitutional right of the population to have local self-government." During an interview, A. Sliva, the chairman of the Duma Committee on Local Self-Government, lamented the fate of these decrees. He stated that they had not been enforced and that, in particular, many of the laws that had been passed in the regions directly contravened the constitutionally enshrined

right to self-government and that many localities had not been granted the opportunity to exercise this right. He said that in many areas the functions that should be performed by local government were usurped by the heads of the regional administrations. He further commented that organs of local self-government were frequently denied any influence over property management or the budgetary process. Moreover, in many regions there were no elections to the local government bodies but instead they were comprised of appointees, chosen usually by the governors, something that Yeltsin himself had empowered them to do. As a result of what the Duma perceived as Yeltsin trying to manipulate regional reform to his own advantage, in February the Duma appealed to Yeltsin to rectify the situation.

Sliva commented that the time had passed for Yeltsin to keep silent on the issue and that it was time for him "to define its position with regard to local self-government, perhaps issue a statement that he supports its reform and is prepared to assume leadership position ...the president could halt actions by heads of *krais* and *oblasts* that violate the constitution." When asked about the source of the resistance to the progress of local self-government, Sliva responded that at the centre of this issue was the governors. He was quoted as saying that "after local self-government gets on its feet, it will be necessary to split power, property, and finances between state and local levels. Then it will be impossible to privatize city property either from Moscow or the oblast center. It will be impossible to keep the rayon center, which has its own budget, on a short leash, either granting or not granting money."⁵ Valentin Kovalev, Minister of Justice, added that, in addition to the potential dispute over property, the governors have on several occasions transferred

⁵T. Skorobogatko, "A Long Road Uphill." *Moskovskiye novosti*. FBIS-USR-94-085, 8 August 1994.

certain financial responsibilities to the local authorities that they themselves have been reluctant to assume. Issues such as responsibility for refugees or the resettling of servicemen have had to be absorbed by the municipalities even though the local authorities frequently do not have the resources to deal with these issues effectively.⁶ In response to the Duma, the president issued a decree requesting that his administration ensure that all acts on the subject issued at any level be brought into conformity with the constitution.⁷ Like many presidential edicts before this, however, this one was not enforced.

The extent to which the components were disinterested in establishing legitimate bodies of local self-government is testified to by the fact that, by the beginning of 1995, many of Russia's components had yet to even adopt legislation on the issue. Despite this lack of an established, legal basis for the operation of local government, however, elections to local bodies took place in 57 components. Khabarovsk *Krai*, for example, held elections in March 1994 but by the end of the year, they had failed to adopt a law on local government. The result of this peculiar situation was that local bodies became mere "extensions" of the component authority.⁸ Having no regional statutes governing the organs of local government, they were forced to operate in a very uncertain environment without a legal basis through which to appeal the often arbitrary and

⁶Valentin Kovalev, "There Are No Laws, or Money Either." *Nevskoye vremya*. FBIS-SOV-95-043, 6 March 1995, p. 28.

⁷Skorobogatko, *Moskovskiye novosti*. FBIS-USR-94-085, 8 August 1994.

⁸Leonid Smirnyagin, "Why Local Self-Government Is Not Yet Perceived By Us To Be A Power: Leonid Smirnyagin, Chief of the Russian Federation Presidential Analysis Center Analytical Research Section, Considers," *Rossiyskiye vesti*. FBIS-SOV-95-030, 23 February 1995, p. 18.

ad hoc actions of the component heads. In other cases, elections were simply not held to local bodies. In Ryazan *Oblast*, for example, no law or charter was drafted with regard to the functions of local government and so no elections were held more than one year after the constitution enshrined the citizens' right to self-government. One *oblast* дума deputy remarked that this situation led to widespread abuse - [t]his makes it possible to abuse the local budget and to sell off state and local property with impunity and without control."⁹

One of the arguments made by several of the components for their lack of legislation on the issue was the preparedness or rather the lack of it amongst the citizenry for the establishment of another level of power.¹⁰ This was a rather convenient argument given the weakness of civil society and the concomitant lack of a means of transmitting their voice. Examples of conflict between the heads of the local self-governing structures, the mayors, and the governors are plentiful and point to the importance of control over local budgets and resources in this period when ownership and control over resources are in flux. Anatoliy Sychev, the chair of the Novosibirsk *Oblast* Council, gave an interview in July 1995 in which he commented on this dynamic - "The heads of the administration do not want people on an equal footing with them. Not only not above them, not even at par with them. They want to be one-man bands. We too,

⁹"In Moscow, They Are Complaining About the Lack of Control of Officials," *Rossiyskiye vesti*. FBIS-SOV-95-039-S, 28 February 1995, p. 18.

¹⁰Vyacheslav Benkevich, "First Comes the Classification, Then the Dissemination, General Principles Can Only Be Formulated On the Basis of Experience Now Being Accumulated by Local Organs of Authority," *Rossiyskaya gazeta*. FBIS-SOV-95-073, 17 April 1995, p. 25.

unfortunately have not succeeded in creating elected organs in the rayons.”¹¹ According to Yeltsin’s instruction, the bodies of self-government may consist of elders and/or deputies that themselves are headed by the city or *rayon* head. As a result, the organ of local government is directed by the mayor or *rayon* head. In Novosibirsk, as in most other components, the mayor was appointed by the governor, who in turn appoints the local council. They are not elected but appointed and so they are not accountable to the people. In such a situation, the appointees are responsive more to the directives coming from the top rather than demands that emanate from below.¹²

The mayor of Vladivostok was perhaps the most illustrative example of the conflict ridden relationship that developed between the governors and the mayors that had been elected and even in some cases where they were appointed. Viktor Cherepkov was elected mayor of Vladivostok on July 7, 1993. On February 13, 1994, he was detained by the *krai* authorities, his office was searched and his son was arrested. Public outrage followed, and Cherepkov’s popularity soared. But again in March of 1994 he was arrested on suspicion of corruption and removed from his post. In December, the case against him is dropped due to lack of evidence.¹³ Most believe that this offensive was initiated by the governor of the *krai* and supported by the president, either explicitly or implicitly.

¹¹Dmitriy Gutenev, “President Too Soon To Bury Councils.” *Pravda*. FBIS-SOV-95-138, 18 July, 1995.

¹²Ibid.

¹³Viktor Cherepkov, “The criminal world has become the most influential force in the Maritime Region by the beginning of 1993,” *Moskovskiye novosti*. FBIS-SOV-95-089, 9 May 1995, p. 62.

We can see here how the governors, empowered to do so by the president, have emulated Yeltsin's own "circular flow of power." Just as Yeltsin empowered those who were accountable directly and singularly to him, the governors instituted a similar arrangement in their home regions. They sought to establish control over the municipalities by subordinating the organs of local government directly to them and by delaying or preventing altogether elections to the local authorities. Unfortunately, this often was to the detriment of the localities as their financial assets were siphoned to the *krai* or *oblast* centre. Here again we see another parallel with centre-periphery relations. Yeltsin tried to create a situation whereby he could control the regions using appointments, but also financial levers. The flow of revenue from the regions to the centre and back again had been an effective way of influencing the regional elites. In much the same way, the governors have essentially turned the local authorities into "permanent supplicants" and so their ability to act independently was considerably diminished.

With the failure of the two decrees on the issue, the Duma set about drafting a law on local self-government that would establish an unambiguous guideline that regions were to follow in their adoption of charters and laws. By the time of the February 1995 conference on the issue of local self-government, work on the drafting of a full and comprehensive law on the issue had reportedly been going on for over a year with little in the way of success or consensus. Significantly, just days prior to the February conference, Yeltsin met with several of the governors to discuss the conference and the issue of local self-government.¹⁴ There were several events around this time that suggested that perhaps Yeltsin was more serious in his commitment to rein in some of the

¹⁴"Yeltsin To Receive Governors 6 Feb.," *Interfax*. FBIS-SOV-95-024, 6 February 1995, p. 11.

considerable powers that had been granted to the governors. Apart from the conference which was to provide additional vigor to the law making process, Yeltsin's speech to the Federal Assembly similarly highlighted his vision of the new role to be assumed by bodies of local government. During his speech, the president asserted that proceeding with local reform and the establishment of a new system of power were to take priority in the coming months.¹⁵ In his speech, Yeltsin made reference to the existing relationship that had evolved between the regional authorities and those in the localities and even admitted that until that time the federal authorities had chosen not to play a pro-active role in governing such relations despite the inclusion of a chapter on local self-government in the 1993 constitution that outlined certain guidelines for its reform. He even included an explicit commitment to end this state of affairs. He said that "[u]ntil now it has been tacitly agreed, as it were, that local self-administration and relations between regional and municipal authorities is a matter for members of the Federation themselves to deal with. Such a political trend should be overcome."¹⁶ At the opening session of the February 1995 conference on local self-government, Yeltsin again made explicit his commitment to implement the priorities outlined in his speech by doing what he could to hasten the passage of the law on local self-government.¹⁷

¹⁵Anna Ostapchuk, "A Safe Diagnosis - A Useless Prescription. Who is to Blame? Everyone. What is to be Done? Build a Great Russia," *Nezavisimaya gazeta*, FBIS-SOV-95-031, 15 February 1995, p 12.

¹⁶Text of Yeltsin's Speech to the Federal Assembly," FBIS-SOV-95-032, 16 February 1995, p. 13.

¹⁷"Yeltsin Opens Local Government Conference at Kremlin," *Itar-Tass*, FBIS-SOV-95-033, 17 February 1995, p. 15.

In early 1995, there were several drafts of the law on local self-government debated in the Duma. Many, however, including the chairman of the Duma Local Self-Rule Committee, had several reservations with regard to the drafts and were not optimistic that either would be passed easily. One deputy remarked that this particular piece of legislation was going to have a difficult time because of the divergence of interests. He said, "it is obvious that quite powerful forces in Russia absolutely do not want local self-rule, which they cannot order from 'above' which has a right to independent resources, property, and budget, and that they will do everything possible to block this issue."¹⁸

There were three drafts to be debated in the Federal Assembly, the first of which was a government draft supported by the president. The government draft advocated organizing local government on a territorial basis, thereby separating local government from the existing state structures. It expanded considerably the power and responsibility of local governing bodies. It also made explicit the government's commitment to ensuring the financial independence of self-government, one of the problems that had plagued the local authorities from the beginning. This was a very significant provision in that it would release the local authorities from their almost complete dependence in many cases on the component budgets. Because of the, until then, ambiguous provisions for the control and use of land and property, often their functions and the revenues generated by them were simply exercised at the component level. It also reaffirmed the local authorities' control over issues at the local level, including control over housing, public transportation, retail trade, medical services, and education policy among others. In order to

¹⁸Anatoliy Sliva, "Let Us Not Pretend," *Nevskoye vremya*. FBIS-SOV-95-043, 28 February 1995.

finance these things, the local governments were to be able to have control over the use of and the revenue received from local natural resources, including water, land, flora, fauna, and forests. It also gave local authorities control over local budgets and property. Significantly, it allowed the local governments to decide issues relating to the privatization of local property as well as gave them the right to establish local finance institutions.¹⁹ Valeriy Kirpichnikov, the president of the Union of Russian Cities, expressed his personal support and that of the majority of the union's members for the government draft.²⁰

Many viewed this draft as the president's attempt to wrest power from the governors by both removing from their influence over the local authorities and by empowering the local authorities. Moreover, because this draft provided the local authorities with control over both financial resources and land, it was designed, in the words of one Russian journalist, to place the "regional barons" between a rock and a hard place (the Center 'from the top' and local authorities 'from the bottom') and brought to full submission."²¹ This view of the local level of power was made more explicit by Yeltsin in one of his speeches to the conference in February when he said that,

The problem of local self-government is also connected with a strengthening of the state integrity of the Russian Federation. Local communities do not objectively have any desire to weaken the unity of the statehood or to set

¹⁹Kirkow, p. 44.

²⁰"Inheritance For Close Relatives: The Power Pie - Some People Gobble It, and Others Nibble It," *Rossiyskaya gazeta*. FBIS-SOV-95-115-S, 15 June 1995, p. 79.

²¹Ostapchuk, FBIS-SOV-95-031, 15 February 1995, p. 12.

up feudal principalities.²²

Some also speculated that from the beginning Yeltsin had pitted the regional against the municipal authorities, anticipating that conflict between the levels of power in the regions would allow the president to act as the final arbiter.²³ Anatoliy Sobchak, the mayor of St. Petersburg, had this to say about the process of drafting a new law on local self-government:

if a law on local self-government is adopted without the clear-cut delimitation of the federal functions and the functions of the subjects of the Federation, an erosion of power may occur. That is convenient for those who would like to return Russia to the bosom of the unitary state. Let the subjects of the Federation fight with the agencies of the local self-government. Thus the vertical line of federal authority will be strengthened.²⁴

Clearly, by omission, the president had sided with the regional political elite in the first stage after the October crisis but the beginning of 1995 harkened a new approach - to aggressively defend the rights of the local authorities. Not surprisingly, these provisions discouraged its passage in the Federation Council because they threatened to undermine the governors control over *all* regional resources, including those in the cities. The privatization of municipal property promised to yield significant revenue in many cases as some of Russia's most lucrative assets were located in the cities.

An analysis of the conformity of the constitutions and charters of the components to the

²²Text of Yeltsin's Speech to the Conference on Local Self-Government," *Radio Rossii*. FBIS-SOV-95-034, 21 February 1995, p. 18.

²³Smirnyagin, *Rossiyskiye vesti*. FBIS-SOV-95-030, 23 February 1995, p. 18.

²⁴"Inheritance For Close Relatives: The Power Pie - Some People Gobble It, and Others Nibble at It," *Rossiyskaya gazeta*. FBIS-SOV-95-115-S, 15 June 1995, p. 79.

Russian constitution conducted by the State-Legal Directorate, one of the presidential administration's agencies, revealed that on many occasions the regional authorities wielded far more power than the constitution provided them. According to it,

Provisions of the drafts to the effect that heads of rayons and city self-government are appointed by the head of the body of executive power of the subject of the federation...and that local self-government is accomplished within the boundaries of administrative-territorial units are not in conformity with Article 12 and Chapter 8 of the Constitution of the Russian Federation.²⁵

This too pointed to a possible change in the president's attitude towards the regional elites' flagrant disregard for the constitution as he subsequently vowed to bring these and other laws of the components into conformity with the Russian Constitution despite the fact that Yeltsin had previously empowered the governors to appoint the mayors.

The government draft and two put forth by Duma deputies were debated in the Duma. One of these drafts, prepared by deputy Dolgoplov was similar in a number of important ways to the government draft. It also envisaged that bodies of local government would be separate from state structures, and established the municipal ownership and use of local resources as well as including in its list of local responsibilities control over education, health care, and social services more generally.

The other Duma draft was tabled by Mura'vev. This particular draft was the subject of heated debate. By contrast to both the Dolgoplov and government drafts, this one advocated the inclusion of local governing bodies in the state structures. As well, in contrast to the Dolgoplov

²⁵Text of the results of the State-Legal Directorate's analysis, *Rossiyskiye vesti*. FBIS-SOV-95-039-S, 28 February 1995, p. 17.

draft, the Mura'nev draft called for a division of powers between a legislature and executive at the local level, with each branch having access to its own resources and control over property. It also wanted the deputies to work on a full time basis and the municipal head could be elected either by a direct election or by the representative body. This provision for the election of the heads of the municipal executive seems obvious enough but it is important to remember that at this point many of the mayors were simply appointed by the governors. This power was of considerable import to the governors in that it allowed them to virtually do away with any opposition they may have otherwise encountered. For the governors, this was a privilege that they would not easily or willingly part with. In terms of its function, local self-government bodies would more closely resemble the soviet system of old with a responsibility for the provision of medical services, housing, and education.²⁶

The Federation Council, of course, was not content to be a mere observer of this process and considered several of its own drafts. Whether or not the council members really represent the interests of the regions or themselves can be seen when considering this debate. By contrast to the Duma drafts, the Federation Council draft reflected the desire of the governors to control themselves the process of establishing local self-government and their resentment of the Moscow's attempt to establish any type of guidelines. At the February conference on local self-government, V. Tarasenko, the chairman of the Federation Council Committee for Federation Affairs, the Federal Treaty and Regional Policy, expressed the widely held belief that Russia's diversity denied an all-encompassing law and hoped instead "to encourage lawmaking at the local level and

²⁶Kirkow, p. 45.

then formulate a federal law on self-government.” This view to establish laws at the component level first and only then try and formulate a federal law was the option preferred by the majority of component heads.

Even if we agree that establishing one law on local self-government that accommodates for all of Russia’s diversity, there was the potential for wide-spread abuse in the regions without an encompassing federal law. The possibility that the regional authorities would continue to act in their own interests and attempt to use their control over the process to effectively thwart the development of local self-government had some considerable precedent. The situation in Moscow was illustrative of this possibility. The then draft of the Moscow city charter, itself drawn up by the mayor, advocated retaining the current system whereby the heads of the municipalities were to be appointed by the mayor rather than elected by the electorate or the municipal committees. Moreover, once appointed they would have only a consultative function.

The regional governors and presidents have also demonstrated their intention to protect their privileged positions in the regions. They transparently hoped to control the process of developing local self-government in order to ensure that any future additional level of power would be unable to impede upon their exclusive domain. The President of the Republic of Kabardino-Balkar, Valeriy Kokov wrote a long article on the subject of local self-government that was published in *Rossiyskaya gazeta* in which he argued against imposing local self-government “from above” in terms of setting guidelines or dates for elections. Significantly, he pointed to the treaty that had been signed between the republic and the centre that placed the reform of local self-government in the exclusive jurisdiction of the republic. They used this power to adopt a law that clearly contravened the constitutional provision which holds that direct elections must be held to

the bodies of local self-government and it also contravened the law that was adopted on local self-government. Kovov wrote,

...concerning direct elections of the head of local self-government. The idea in itself is a progressive and entirely democratic one. However, at this point, this norm frequently leads simply to ungovernability. And therefore, during the transition period, in our view it is possible to permit the election of the head of local self-government by an assembly of deputies. The procedure and the mechanism for the realization of the principle of local self-government in Kabardino-Balkaria are implemented in the following manner. At the first session of the Council of Self-Government, from a number of deputies a chairman of the Council of Self-Government is chosen, whose candidacy is proposed by the president of the republic or his authorized representative.²⁷

The danger in the Federation Council's vision that allowed for such "norm" making in the regions must have been apparent to those in the Federation Council. Without a federal law that at least established some minimum guidelines for the reform of local self-government, this pattern of abuse would likely continue unabated. Many who commented on the Federation Council's draft law on local self-government expressed their belief that "[u]nless we counter these inclinations and protect by law citizens' right to local self-rule, we risk finding ourselves in a situation where governors will completely become omnipotent masters of their provinces."²⁸

For the regional powers, reform of local self-government by definition required a redistribution of resources. Without such a redistribution it would have been impossible to bestow on the local authorities any real power or responsibility in that, at the time, they had little access to much needed financial resources.

²⁷Valeriy Kokov, "Local Power: Where Are We To Get Such A Personality?" *Rossiyskaya gazeta*. FBIS-SOV-96-201-S, 14 August 1996.

²⁸Anatoliy Sliva, "Let Us Not Pretend," *Nevskoye vremya*. FBIS-SOV-95-043, 28 February 1995.

At the second to last session of the Duma on June 9, 1995, the Duma adopted, with 321 votes in favour, the Mura'nev draft which envisioned the independence of the local self-governing bodies from the administrative heads of the components. On July 6, 1995, the Federation Council failed to pass the law "On General Principles of Local Self-Government in Russia" that had been passed by the Duma. Its main criticism of the law was that it "insufficiently defined financial responsibility of local bodies and principles of property division in subjects of the federation."²⁹ Many Federation Council members also argued that the localities were not ready for self-government, either for reasons of political apathy or the lack of a sufficient economic base through which to financial local responsibilities. The law, however, contained provision for this through its guarantee of a minimum level of financing. It also allowed the municipalities to keep any revenue they collect, thus rejecting any claim that the component may have otherwise have had.³⁰ At the conclusion of the session, it was agreed that the two bodies would form a conciliatory body to jointly draft another law.

This process, however proved to be exceedingly difficult given that within the Federation Council itself, many of the members disagreed as to the preferred formula for developing local government. In fact, while the Duma was debating the various drafts, component heads as well as local authorities sent in hundreds of amendments to the Duma committee considering the issue.

²⁹"Federation Council Rejects Local Self-Government Law," *Itar-Tass*. FBIS-SOV-95-129, 6 July 1995.

³⁰Anatoliy Sliva, "Moscow Has Shared Power With the Regions. And Has Become Strong

The Federal Law on the General Principles of Organization of Local Self-Government in the Russian Federation is an Important Event in the Country's Political Life," *Rossiyskaya gazeta*. FBIS-SOV-95-174, 8 September 1995, p. 34.

Given the presence of conflicting interests, the conciliatory committee was unable to reach a consensus. Moreover, the Federation Council decided that this law would not be debated in plenary, nor would they vote again on the law.³¹ Finally, the Duma opted instead to overturn the Federation Council's veto through a vote.³²

Here we are given an insight into how the Federation Council functions. Clearly, the law on local government was of interest to the senators. Their opposition to this law was a matter of public record. Still, they refused to vote for a second time on the Duma's draft law. They had registered their opposition to *any* federal law on what they considered to be under their exclusive competence. This was their means of signaling to Yeltsin that they would not partake in what they considered to be fundamentally illegitimate and, perhaps, that they had no intention of submitting either to the legislative process in any meaningful way or in its implementation. The Chairman of the Federation Council's Committee for Federation Affairs and Regional Policy gave an interview after the Federation Council veto in which he spoke very frankly about the council's strategy vis-a-vis the law on local self-government. He said that the Federation Council is voting against the law through its silence in that it did not put further discussion of the law on its agenda. He recognized that the upper and lower house are intended to balance each other but that, in fact, "we are artificially creating for the upper house a kind of space in which it can blackmail

³¹"Poryadok v sovete federatsii," *Rossiiskaya gazeta*. 16 August 1995. p. 6.

³²Anatoliy Stepovoy, "Parliamentary Vacation Unites Deputies in 'State Duma Is Our Home' Party." *Izvestiya*. FBIS-SOV-95-158, 16 August 1995, p. 29.

everyone.”³³

On August 12, 1995, the Duma passed a revised version of the law “On General Principles of Local Self-Government in Russia” that was subsequently signed by Yeltsin on August 29, 1995. Among other concession to the regional powers, this draft established only the general principles of local self-government and gave each component three months to “adjust” their existing law (if one existed) to the general provisions of the new federal law. Apparently hoping that the Duma and the Federation Council would be able to come to some type of agreement, Yeltsin had vetoed the first passage of the law but, recognizing that the Federation Council would not be placated, he signed it the second time.³⁴ Interestingly, however, just after signing a bilateral treaty with Buryatia, Yeltsin said “that he [was] not quite pleased with the local self-government act.” Nevertheless, Yeltsin felt that “the local self-government legislation is very important in that it will show to the regions that there will be no duplication or two power hierarchies.”³⁵

The reason behind opposition to this law is revealed by the chairman of the Committee for Federation Affairs and Regional Policy, Vasiliy Tarasenko.

The main thing that it proved to be possible to achieve in a law is that the agencies of local self-government are protected against the arbitrariness of any chiefs of any agencies of state power. From now on, the actions of the governors will be subordinate to that law. And if, in the oblast, a law is enacted that limits that rights of self-government, a legal procedure is stipulated... After the end of the work of the conciliation commission [between the FC and the Duma] the law will once again be reviewed and approved by the Duma. But the

³³Mikhail Leontyev. “Vasiliy Tarasenko: We See the Law Being Transformed into Privileges.” *Segodnya*. FBIS-SOV-95-164-S, 24 August 1995, p. 75.

³⁴*Rossiiskaya gazeta*. 1 September 1995. pp. 4-6.

³⁵Nikolay Zherebtsov and Andrey Petrovskiy, “Yeltsin Signs Bill on Local Self-Government.” *Interfax*. FBIS-SOV-95-168, 29 August 1995.

Federation Council members, as the readers know, have rejected it again. Fully aware of the need to be independent of the center, many administrators of the subjects of the Federation do not want to share power with anyone. In human terms, one can understand them. But is it necessary in this instance to talk about the protection of regional interests?"³⁶

Phase II - The Negligible Effects of the Law

According to the law "elections of representative bodies and officials of local self-government should be held no later than six months since the law's coming into effect."³⁷ The passage of this law prompted objections from many governors who had been deprived of several rights, including the right to appoint the lower level administrative heads and control over the local budgetary process. The law also explicitly forbade the interference of higher level authorities in what have been defined as "local affairs" or the presence of any appointees. It also granted the localities full control over "issues of local significance." This is significant in that frequently, by component law, state administration of the municipalities was established but the components often failed to fulfill their obligations vis-a-vis the municipalities despite the fact that all the required resources had been received. To combat this, included in the exclusive competence of the local officials are the right to adopt a budget and the establishment and collection of local taxes and levies.³⁸

The Federation Council's chairman of the Committee for Federation Affairs and Regional

³⁶FBIS-SOV-95-169-S, 16 August 1995.

³⁷"Observers View Law on Local Self-Government," *Itar-Tass*. FBIS-SOV-95-175, 8 September 1995.

³⁸Anatoliy Sliva, "The City Dweller Is Owner of the City: Experts Are Perfecting The Federal Law on Local Self-Government," *Rossiyskaya gazeta*. FBIS-SOV-95-149-S, 3 August 1995, p. 28.

Policy expressed his view that this law would not be easy to implement. The governors, he said, were not prepared to part easily with the rights they had been granted over, among other things, property. He further expressed the opinion that in order to proceed with this process, the federal authorities' "stimulating action" would be required.³⁹ Stimulating action was, in fact, the opposite of what occurred. It is important to remember that at the time Yeltsin did not wish to completely alienate the governors by overzealously pushing reform. His motive was to redistribute some of the governors' power, recognizing that the governors still maintained a great deal of power in the regions. Apparently he had hoped that the Duma and the Federation Council would be able to reach some type of compromise and so he vetoed the first draft. Only when that appeared impossible, did Yeltsin sign the bill, and this law arguably fell well short of the power redistribution that many had anticipated. Ultimately, what probably prompted Yeltsin to sign the law despite the governors' objections was that the Council of Europe insisted that a law on local self-government be approved before Russia's admission would be considered.⁴⁰ The *appearance* of proceeding with democratic reforms was significant, even if the *substance* of those reforms was questionable.

Ultimately though, Yeltsin was not prepared to alienate the governors and offered them

³⁹Mikhail Lantsman, "Anatoliy Sobchak Is Worried Over Local Self-Government. Independent Municipalities Could Run Into Budgetary Problems," *Segodnya*. FBIS-SOV-95-181, 19 September 1995, p. 38.

⁴⁰Anatoliy Sliva, "Moscow Has Shared Power With the Regions. And Has Become Strong
The Federal Law on the General Principles of Organizations of Local Self-Government in the Russian Federation Is an Important Event in the Country's Political Life," *Rossiyskaya gazeta*. FBIS-SOV-95-174, 8 September 1995, p. 33.

a significant concession only a few *days* later. On September 18, Yeltsin signed an edict “On elections to the bodies of state power in the constituent parts of the Russian Federation and to the bodies of local self-government” that stipulated that elections to local self-Government bodies would not be held until December 1996 rather than the date of March 1996 as set out in the law on local self-government. This date was also prescribed for the elections of the governors in the same edict. Yeltsin instructed the State Legal Directorate to prepare “for submission to the State Duma within a two week period a draft federal law “On introducing amendments and addenda to the federal law ‘On general principles of the organization of the local self-government in the Russian Federation’” which envisages the postponement of the date of the elections of local self-government bodies.⁴¹

This all changed despite Yeltsin’s apparent satisfaction with the date established for elections to local government bodies in the August law. In fact, during an interview on the 10th of September, just eight days before his decree that postponed elections for ten months, Yeltsin pointed out the importance of the law and again reaffirmed his commitment to hold these elections in six months. He even chided the Russian press for their apparent disinterest in the law on local self-government when he said: “Why not write an article, give explanations, or give the main points? This is with regard to elections. Incidentally, the law says in six months all local bodies of power are to be elective. That is to say, in six months the posts of the heads of administration

⁴¹Text of “On Elections to the Bodies of State Power in the Constituent Parts of the Russian Federation and to the Bodies of Local Self-Government,” *Itar-Tass*. FBIS-SOV-95-181, 19 September 1995, p. 29.

and all the rest will be elective.”⁴²

Because the governors were not committed to proceeding with reform of local self-government, and had expressed this to the Federation Council, Yeltsin was hesitant to leave the law as it stood. The change in the date of elections allowed the governors to maintain their unrivaled position in the components for an additional ten months. Just as in the case of the gubernatorial elections, the Duma wanted to see a change in power in March 1996, before the presidential elections and Yeltsin and the governors wanted to postpone elections for as long as possible. Here again we can see how both the Duma and the president sought to establish control over the regions by trying to control the selection of regional cadres. This strategy was one that figured prominently during the Soviet era. The selection of republican leaders was based less on political acumen than on the ability to maintain control in the region and at least superficially remain loyal to the central leadership. Securing the support of the regional political elites in the post-Soviet period was even more crucial in that electoral success is often predicated on the support of the primary regional political actors. Sliva made explicit this link between electoral success and control over the appointment of regional and/or municipal authorities, “without the immediate election everywhere by the citizens of agencies and officials of local self-government, there will not be in Russia any truly democratic election to the State Duma or the Federation Council, or of the president of the Russian Federation.”⁴³

⁴²“Text of Yeltsin’s 8 Sep News Conference,” *Moscow Russian Public Television First Channel Network*. FBIS-SOV-95-175, 11 September 1995, p. 35.

⁴³Anatoliy Sliva, “The City Dweller is Owner of the City: Experts Are Perfecting the the Federal Law on Local Self-Government,” *Rossiyskaya gazeta*. FBIS-SOV-95-149-S, 3 August 1995, p. 30.

To a certain extent at least, after the October crisis and adoption of the constitution, executive-legislative conflict, which had taken centre-stage, was replaced somewhat by conflicts between the centre and the regions. As Yeltsin struggled with the legacy of his October decrees and his subsequent dependence on the governors, the Duma strangely emerged as the one force that seemed to be actively promoting the cause of democracy in the regions. Even if their prime motivation was to wrest from Yeltsin's grip any influence he may have had over the governors, the end result was the same. In both the question regarding the formation of the Federation Council and the issue of local self-government, the Duma's position seemed to conform more to democratic norms than did that of either Yeltsin or the governors.

What we have, then, is a would-be authoritarian in the president if not for the authoritarians in the regions. One Russian scholar wrote that the primary obstacle standing in the way of Yeltsin becoming the genuine authoritarian that he so desires is the power of the regional authorities. He wrote that "[n]o major interdepartmental decision made in the Kremlin can be pushed through the executive vertical 'to the bottom' or carried out adequately to the desired result if it in any way goes against the interests of the regional elites."⁴⁴ Moreover, there is evidence to suggest that the regions, particularly the republics, believed they had a valuable role to play in terms of balancing the power of the centre.⁴⁵ Proceeding with local self-government obviously was no exception. At the time of the six month deadline during which all the components were to have adopted legislation on elections to local governing bodies by March

⁴⁴Andrey Fadin, "Time of the Feudal Lords," *Obshchaya gazeta*. FBIS-SOV-95-115-S, 15 June 1995, p. 14.

⁴⁵Alan Kasayev, "Tri faktora stabil'nosti," *Nezavisimaya gazeta*. 7 June 1997. p. 2.

1996, approximately half of Russia's 88 components had failed to do so.⁴⁶ There was nothing by way of repercussions from the centre. Again Yeltsin demonstrated his willingness to sacrifice the letter of the constitution and the progress of reform for maintaining the support of the regional authorities.

Just as Yeltsin had changed the date of local elections to suit his and the governors' needs, so too did the abuse of local officials in the regions continue unabated. In part precipitated by the incident involving the Vladivostok mayor, the Association of Siberian and Far Eastern Cities met to discuss the relationship between heads of the components and the majors. The collective opinion of the mayors on this issue was that they "do not have the right to be mere contemplators of this process." At the conclusion of their conference, they sent a letter to the presidential administration head, A. Chubays. It expressed their dissatisfaction with the many incidents of governors interfering in issues that were under the direct competence of the local authorities, even if they were appointees. They pointed out that this was in violation of the constitutionally enshrined right to effective local government and appealed to the president to rectify the situation.⁴⁷

This letter was written in late 1996, over a year after the law on local self-government was passed. In that time, there were many violations of the law, with little in the way of implications. It is important here to restate that the centre *did* have several levers of influence at their disposal

⁴⁶Kirkow, p. 56, note #14.

⁴⁷Yelena Sablina, "A Meeting of Participants in the Association of Siberian and Far Eastern Cities Was Held on Saturday In Our City. Siberian Mayors are Alarmed: Total 'Apocalypse' Is at Hand," *Vecherniy Novosibirsk*. FBIS-SOV-96-223-S, 5 November 1996.

through which to assert their influence on wayward regional governors. Favorable bilateral treaties, greater control over regional revenue, federal transfer payments for instance all provided Moscow with a degree of control over the regions that is often overlooked. These levers once even prompted Boris Nemtsov, as governor of Nizhnii Novgorod, when speaking about the likelihood of centrifugal tendencies ending in the disintegration of the Russian Federation, to say that it would “take nothing for the central authorities to create such unbearable financial conditions for the territory that any desire for sovereignty would fade away.”⁴⁸

Despite this, however, Yeltsin did little to stop the steady erosion or outright denial of local power even after the law. In one case, the chairman of the State Council of Udmurtia, citing a misallocation of funds, removed Izhevsk Mayor Anatoliy Saltykov from his position. This was done despite the fact that Saltykov was popularly elected to the position of mayor and so should have been somewhat protected from encroachments by the governor. There have also been several reported incidents in both Perm and Krasnodar of governors interfering in local budgetary affairs. In another incident, the mayor of Ulan-Ude, who was elected to his post, was summarily removed by the president of Buryatia. Finally, the Tver situation is perhaps the most telling of the evolution of the relationship between component heads and local authorities. A mere three days after the popular election of the Tver city mayor, the Tver administrative head issued a decree establishing “state government” in the city. The result was the complete elimination of an independent Tver city administration. A whole level of government was simply dissolved. The formal reason cited for the decision was “the aim of economizing on resources for the maintenance of the Tver city

⁴⁸Marc Zlotnik, “Russia’s Governors: All the President’s Men?” in Problems of Post-Communism, November/December 1996, p. 26.

administration staff and an improvement in the life sustenance of the city.”⁴⁹

These and other examples were relayed to the president by the members of the ASDG Council in their November telegraph. They believed these example pointed to a “planned, well-coordinated action, directed at discrediting the bodies of local self-government.” They also argued that it was no coincidence that those cases often involved the mayors of important tax donor cities and that that was the primary reason that the governors attempt to manipulate and control the local officials. They finally wanted to bring to Yeltsin’s attention that it was only thanks to Russia’s large urban centres that he was reelected.⁵⁰

Not only did Yeltsin do nothing to stave the tide of abuse vis-a-vis local self-government, he even supported a court challenge against the provisions of the law that he had signed that held that elections to the local authorities must be held in December 1996. In April 1996, Yeltsin, in conjunction with the Head of the Republic of Komi, took to the Constitutional Court the issue of the constitutionality of the federal law “On the General Principles for Organization of Local Self-Government in the Russian Federation.” Specifically, at issue was whether or not it was within the competence of the federal authorities to determine the time within which elections to local self-government bodies must be conducted.⁵¹

PHASE II - AFTER THE ELECTIONS

⁴⁹Sablina. *Vecherniy Novosibirsk*. FBIS-SOV-96-223-S, 5 November 1996.

⁵⁰Ibid.

⁵¹The text of “On the Case of Verifying the Constitutionality of Point 1, Article 58 and Point 2, Article 59 of the Federal Law of 28 August 1995, ‘On General Principles of Organization of Local Self-Government in the Russian Federation’ (With Amendments of 22 April 1996) can be found in FBIS-SOV-96-174-S, 15 June 1996.

The situation changed dramatically after the December 1996 elections to both the governors and the majority of local authorities. The presidential elections were behind him and Yeltsin had fewer levers with which to influence the governors and fewer reasons to do so. This is reflected not only in Yeltsin's position vis-a-vis municipal reform but also in interbudgetary transfers. Until 1997, transfer payments were highly politicized and more often than not reflected the balance of power between the region and the centre rather than need.⁵² After the presidential election and the elections to the governors and the local authorities, however, transfer payments began to more closely resemble equalization payments designed to supplement the budgets of those regions not able to secure for themselves a reasonable standard of living.⁵³ This suggests again that the president was considerably less beholden to the regional leaders, including the governors after the presidential election.

This phase marks the beginning of Yeltsin's genuine attempt to expedite the reform of local self-government and concomitant attempt to undermine the power of the governors. While relations between the president and the governors in the period leading up to the presidential election were characterized by accommodation and tolerance, relations after the presidential and gubernatorial elections were considerably less conciliatory. Yeltsin made several overtures towards the municipal authorities, prompting many to conclude that, in fact, his motives were to strengthen his ties to the local elite in order to construct a counterweight in the regions, a force

⁵²Treisman, p. 299.

⁵³Alastair McAuley, "The Determinants of Russian Federal-Regional Fiscal Relations: Equity or Political Influence?" in Europe-Asia Studies, Vol. 49, no. 3, May 1996, p. 440.

that may constitute his new means of influence.⁵⁴ Anticipating that centrifugal tendencies did not come from the local level, who may be guided more by pragmatism, or from the citizenry, Yeltsin sought to empower the political actors at the municipal level in order to construct for himself a new constituency on which to base his regional power. Having lost the power to influence the component level elites, he directed his attention elsewhere.

In the spring of 1997, Yeltsin devoted a government session to the issue of municipal and housing reform and finally underscored his commitment to local reform by tying it to federal transfers. At the conclusion of these talks, Yeltsin decided that the amount of federal funds transferred to the regions will be calculated based on their progress with municipal reform. He also promised to supplement local revenues from the central treasury. Some speculated that Yeltsin was hoping to use transfer payments as a means of influencing the local authorities.⁵⁵ This move on his part is significant and points to his renewed interest in local government. Even though, quite conceivably, he could have used the same levers to try and influence the components in the past, he waited until years after the constitution and the law on local self-government to proceed with anything approaching force.

Unfortunately, Yeltsin was not the only actor that was hesitant to exert pressure on the governors. Popularly elected and members of the upper house, at this point the governors commanded so much power that it was not unusual for people to consciously try and build good

⁵⁴“Anna Paretskaya, “Center Wants To Use Mayors To Counterbalance Governors,” in Omri Russian Regional Report, January 8, 1997.

⁵⁵Olga Berezhnaya, “They Are Planting Municipal Reform on Transfers: Its Fate Will Depend Primarily on the Positions of Local Authorities,” *Rossiyskaya gazeta*. FBIS-SOV-97-120, 17 May 1997.

relations with them and were careful not to directly contradict their interests. Issues involving local self-government were no exception to this. At a session of the Government Presidium on May 22, 1997, for instance, First Vice Premier Anatoliy Chubays leveled several criticisms directed at the Ministry for Nationalities Affairs and Federal Relations. The main cause of his discontent was the tendency of the ministry to “duck difficult issues, [it] does not wish to spoil relations with governors, and hardly defends the interests of local self-government in the government.”⁵⁶

Yeltsin, however, indicated he would no longer tolerate government ministries that refused to defend the interests of local governing bodies. Also indicative of how Yeltsin envisaged the role of local authorities in his new strategy was the creation of the Council for Local Self-Government which was comprised of municipal authorities. Just as once he created councils for the governors, now the president’s attention was directed towards his new regional allies, the mayors. If a particular interest group’s power or significance vis-a-vis the president is signaled by his tendency to create councils and then directly subordinate them to him, the localities moved from relative obscurity to relative prominence in the spring of 1997. On June 10 1997, Yeltsin chaired the first session of the council at which time he said that he wanted “the Kremlin to turn toward local administration and local self-government. Whatever one’s main area of responsibility - foreign policy, trade, and so on - one should constantly be thinking what effect one’s work will have on local self-government.” He also made a further overture towards them and again indicated that

⁵⁶Vladimir Kucherenko, “The Ministry for Nationalities Affairs and Federal Relations Has Not yet Merited Applause,” *Rossiyskaya gazeta*. FBIS-SOV-97-147, 27 May 1997.

he was finally prepared to act as the guarantor of local rights. Yeltsin said that the council was designed to facilitate relations between the centre and the localities and that he wanted to discuss reform with the municipal authorities "in order to have an open discussion about your problems, about whether you experience any pressure from the regional administrations, and whether you dislike any of the directives that are coming from the top, from the Kremlin."⁵⁷

Arguably, Yeltsin was simply defending the constitutionally enshrined right to self-government. Since this is an essential element of democratic reform, perhaps the president's motives were pure and unaffected by political calculations. What is the most important indication that this was not the case, however, is not the deed itself, but the *change* that occurred in his attitude and posture towards local reform. Why, after he admittedly allowed the governors to set the pace of municipal reform or the lack thereof, did this issue take centre stage in his political agenda at that time? The answer, I submit, is that his dependence on the support of the governors diminished after the elections. His ability to maneuver was subsequently enhanced and so was his desire to create a counterweight to the governors.

On June 12, two days after his meeting with the Council of Local Self-Government, Yeltsin issued Decree No. 568 "On the main areas of the reform of local self-government in the Russian Federation." The decree established as priority all aspects relating to the reform of local self-government, including establishing its sound financial basis. The president also assured the bodies of local self-government that implementation of reform would be strictly monitored by the office of the president. In the text of the decree,

⁵⁷"Yeltsin Urges Boost To Local Self-Government," *Itar-Tass*. FBIS-SOV-97-161, 10 June 1997.

That the authorized representatives of the president of the Russian Federation in the regions shall react promptly to violations of the legislation of the Russian Federation regarding matters affecting local self-government. That the prosecutor general of the Russian Federation shall step up supervision of compliance by the state power bodies of the constituent parts of the Russian Federation with the legislation of the Russian Federation regarding matters affecting local self-government.⁵⁸

Here, the president's dual strategy is most clearly revealed. Using the presidential representatives to monitor the actions of the component heads, significantly with particular emphasis on their behaviour vis-a-vis the organs of local self-government, he clearly sent a message to the governors that their behaviour towards the municipalities would no longer be tolerated. Yeltsin's motivation was revealed in a statement made by Mikhail Krasnov, a presidential aide, when he lamented the fact that there existed "no strong-arm levers of influence. Something like commissars of the Ministry for Nationalities Affairs and Federal Relations should be introduced into each region."⁵⁹ Following this, Yeltsin moved to significantly strengthen the position of presidential representative that had diminished in power during the preceding period. At the same time, Leonid Smirnyagin, of the Presidential Administration admitted that the president was working on a decree that "expanded the powers of the presidential representatives in the regions" and would establish "collegiums made up of top officials of all the regional services" to be presided over by presidential representatives. This initiative would essentially leave the regions with two governors each - one that was popularly elected and one appointed by the president.⁶⁰ Yeltsin's representative to the Duma, Aleksandr Kotenkov, also voiced his

⁵⁸"Yeltsin Decree Issued on Reform of Local Self-Government," *Itar-Tass*. FBIS-SOV-97-193, 12 June 1997.

⁵⁹Kucherenko, *Rossiyskaya gazeta*. FBIS-SOV-97-147, 27 May 1997.

support for further empowering the position of presidential representative. On its role, he believed that it was even more important than given that the governors are elected to have a strong representative of the president in each region since "the president has a rather limited choice of methods for influence on elected heads of administration."⁶¹

On other fronts as well, there appeared to be a new political will to cease the practice of turning a blind eye to the transgressions of the regions. Laws that ran counter to the constitution began to be increasingly scrutinized and called into question.⁶² The Constitutional Court ruled in November 1997 that the federal government had the right to set the date for elections to bodies of local self-government in the event that the component authorities fail to do so. The law on local self-government that was signed in September 1995 was, thus, upheld. This case was brought to the court by the Republic of Tula to protest what it considered to be the centre's interference on matters of regional jurisdiction.⁶³ This again is suggestive of a subtle change in centre-regional dynamics in that only after more than two years did the republic feel any pressure to actually implement the law on local government.

Not surprisingly, the governors were not pleased with the possibility that they would again be faced again with the intervention of the presidential representatives. For several years the

⁶⁰"Governors. Kremlin Jockey for Regional Power," in The Current Digest of the Post-Soviet Press, Vol. XLIX, no. 27(1997), pp. 7-9.

⁶¹"Politicians Split Over Future of Yeltsin Envoys in Regions," *Interfax*. FBIS-SOV-97-274, 1 October 1997.

⁶²Maksim Zhukov, "Konstitutsionnyy sud otmenil vybornyy <<tsenz osedlosti,>>" *Kommersant - daily*, no. 96, 25 June 1997, p. 3.

⁶³The Current Digest of the Post-Soviet Press, Vol. XLIX, no. 44 (1997), p. 15.

activities of the presidential representatives had been diminished in the regions, only to be revised in this period. The case of Primorski *Krai* was perhaps the most vivid illustration of Yeltsin's new posture towards the governors and the municipal authorities. The governor, Nazdratenko, had been a vocal opponent of Yeltsin's virtually since the October crisis, despite the fact that he was an appointee. He persistently antagonized the president on a range of issues, including most notably relations with China, privatization, and tariffs on energy. In October 1994, moreover, Nazdratenko threatened to hold a referendum on the issue of the *krai*'s status within the Russian Federation.⁶⁴ Often he outright ignored centrally orchestrated reforms and hindered Russia's rapprochement with China. As a result of what most believed to be his mismanagement, the Maritime region had been on the verge of economic and social collapse for several years as pensions and wages were not paid, as was the case in much of the country, but also as a result of a persistent and serious energy crisis. It was so bad that for much of the year, residents survived on only a few hours of power per day.

The battle between the governor and the Vladivostok mayor had been ongoing for several years as had the crisis in the region. The removal of the Vladivostok mayor was ostensibly for "neglect of duties" as Nazdratenko tried to cast blame for the regions problems on him. After his removal, however, it was determined that there was no evidence to support this claim. Prior to 1997, however, the president did little to intervene and even supported Nazdratenko when the

⁶⁴Vladimir Kucherenko, "Suverennoe Primor'e?" *Rossiyskaya gazeta*. 1 October 1994. p. 2 .

mayor was removed even though Nazdratenko was suspected of corruption and criminal ties.⁶⁵ Nor did Yeltsin intervene to try and ameliorate the situation. It was only in 1997, years after the onset of serious problems in the region, did Yeltsin attempt to assert his will and come to the defense of the mayor by transferring the governor's power to his appointed presidential representative.

Presidential Decree No. 555 transferred considerable powers to the presidential representative in Primorski, Viktor Kondratov, including overseeing the implementation of presidential edicts, the allocation of federal funds, and the supervision of lower organs of government.⁶⁶ As the president launched his offensive, one newspaper in the *krai* was prompted to ask: "Who will be the leader of Primorski?"⁶⁷ Most people believed that the Maritime case was being used as a type of testing ground for Yeltsin's strategy of using the Federal Security Service (FSB) and his presidential representatives to undermine the regional governors.⁶⁸ It was also reported that part of the attack on the Primorski governor included replacing his personal security forces with men of the FSB. Undoubtedly, this move was designed to facilitate the monitoring of Nazdratenko actions.⁶⁹

⁶⁵Ivan Petrov, "V Primor'e vhov' ishchut <<ryky Moskvyy>>" *Kommersant-daily*. No. 100, 1 July 1997. p. 5.

⁶⁶The full text of the decree was published in Dos'ye <<MN>> *Moskovskii novostii*. No. 24, 15-22 July 1997. p.6.

⁶⁷"Kto v Primor'e budet pervym?" *Zavtra Rossii*. No. 21, 29 May - 5 June 1997. p.13.

⁶⁸FBIS-SOV-97-162, 11 June 1997.

⁶⁹Mark Deych, "Weapons and Drugs," *Moskovskiy komsomolets*. FBIS-SOV-97-293, 20 October 1997.

The governor, however, was still rather popular in his region and firmly believed in the support of the Federation Council and its ability to stave off this attempt by Yeltsin to diminish his powers or remove him from office altogether. During an interview at the height of this issue, Nazdratenko expressed his opinion regarding the role of the Federation Council in political processes: "This is a very powerful body. Everyone, with no exceptions, will listen to their opinion in our country, and they will determine everything."⁷⁰ With the belief that his colleagues would fully support him, thus leaving him free of any real threat emanating from Moscow, Nazdratenko refused to recognize Yeltsin's decree.⁷¹

Curtailling the powers of the governors, even a obviously inept one, proved to be a difficult task. Although Yeltsin was trying to establish the transfer of powers as a legitimate means of removing an elected governor, according to the Maritime charter, however, the governor can be removed and new elections called only under specific circumstances, including voluntary resignation, illness, or criminal charges.⁷² Moreover, the Russian Constitution includes no such provision for the legitimate removal of an elected governor.⁷³ As well, the Federation Council reflexively stepped in to try and halt Yeltsin's attempt to remove Nazdratenko. However, it was not quite the reaction that Nazdratenko and others expected.

⁷⁰"Governor of Maritime Territory Interviewed." *Moscow Radiostantsiya Ekho Moskvy*. FBIS-SOV-97-184. 3 July 1997.

⁷¹Matvey Polezhaev, "Gubernator Primor'ya narushil ukaz prezidenta," *Kommersant-daily*. No. 94, 21 June, 1997. p. 3.

⁷²Anna Ostapuchuk, "Senat pomirit Primor'e s Moskvoy?" *Moskovskii novosti*. No. 25, 22-29 June 1997. p. 7.

⁷³Lyeonid Berrec, Vladimir Teslenko, "Prezidentu pridetsya mipit'sya s gubernatorami," *Kommersant-daily*. 25 June 1997. p. 1.

On July 4, the council members voted to continue discussions indefinitely on the issue before issuing a statement. In response, some members of the Federation Council did not feel that they had forcefully enough defended Nazdratenko's position as governor and member of the Federation Council. Moscow Mayor Luzhkov, famous for his outspoken style and influence over the president, suggested that the Federation Council issue a statement to Yeltsin calling for the complete reinstatement of the governor's power, if not, he expressed "we'll make a mistake, stepping on the constitutional rights of the subjects and governors who personify regional power." Governor Rossel of Sverdlovsk similarly criticized his colleagues. He remarked that Yeltsin was trying to devise "a technology of treating a governor" and that if they do not take a firm stand "...we'll become sheep for sacrifice offering."⁷⁴

Although many saw this as the president's thinly veiled attempt to redistribute power away from the regions and back towards the centre,⁷⁵ the council only sent an weakly worded appeal to the president asking him to repeal his two decrees that transferred power from the governor to the presidential representative in the Maritime *Krai*. In the text of the appeal, the senators expressed their concern that this may be a precedent which will "lead to restrictions on the rights of Russian Federation members in matters of joint jurisdiction....intrusion by the President's representative into the jurisdiction of he head of a Russian Federation member's executive branch will inevitably lead to a situation of dual power."⁷⁶

⁷⁴FBIS-SOV-97-185, 4 July 1997.

⁷⁵"Bor`ba za vliyanie v regionakh nachata Borisom Ye'tsinym s Primor'ya," *Nezavisimaya gazeta*. 10 June 1997. p. 1.

⁷⁶The Current Digest of the Post-Soviet Press. Vol. XLIX, no. 27(1997), p. 9.

What is really significant here is how the members of the Federation Council itself viewed their role in this struggle. In what can only be considered a threat of their own and sensing where their true power was derived from, the senators also pointed out that “the erosion of regional authority will also weaken their control and ability to influence the outcome of future presidential elections...” According to the same article in *Kommersant-daily* in which parts of the appeal was published, many senators “seem to have recognized that the revamped presidential team has thoroughly consolidated its position, and that it is senseless to fight that team before 2000, when it will be time to elect a new President for Russia.”⁷⁷ That the Federation Council recognized its weakened position vis-a-vis the president was also evidenced by their suggestion to Yeltsin that they *jointly* draft a law that would allow the president to intervene in the affairs of the regions under “particular circumstances.”⁷⁸ It seems quite unlikely that they would have willfully participated in such a venture a few years ago when it seemed that Yeltsin would never raise a hand against them.

In addition to securing their political freedom from the governors’ intervention, Yeltsin finally moved to adopt a law that would secure for the local authorities financial freedom as well. This also represented a reversal in that, originally, the financial principles of local self-government were to be established in the federal budget legislation. The Federation Council’s repeated attempts to thwart this, however, required that this be achieved through other, more direct, methods. To rectify this, the Duma actually had to readopt the law “On the Financial

⁷⁷Ibid., p. 9.

⁷⁸Ibid., p. 10.

Principles of Local Self-Government in the Russian Federation”⁷⁹ which had been twice rejected by the Federation Council. Despite this, however, Yeltsin signed the law.⁸⁰ Unlike the earlier law on local self-government, signed only as a result of pressure from the Council of Europe, and which Yeltsin quickly changed anyway, and the law on the formation of the Federation Council which conformed to the interests of the governors, the law on the financial principles of local government has not yet been changed. Despite the Federation Council’s adamant rejection of it, Yeltsin signed it. Before this law, bodies of local self-government were almost entirely financed from the component budgets, making them dependent on the good-will of the governors or presidents. Now, by contrast, municipalities have been granted a guaranteed minimum percentage of regional and federal tax revenues, allowing them to exercise complete control over their local budgets. Not only did the Federation Council reject this law, they rejected it unanimously.⁸¹

If relations between the Federation Council and the president are illustrative of the dynamic between the centre and the regions more generally, this change in Yeltsin’s posture towards the Federation Council and the governors is reflective of the change in the relative balance of power between the president and the regions. If Yeltsin at this point began to assert some control over the governors, it is illustrative of the consolidation of his power as a result of his success in the presidential election. Other factors of course have also contributed to this shift, including perhaps the new prominence of young reformers like Boris Nemtsov and the need to more aggressively

⁷⁹*Rossiiskaya gazeta*. 30 September 1997. pp. 6-7.

⁸⁰Mikhail Kushtapin, “Boris Yeltsin: Local Self-Government Is Foundation of Democracy,” *Rossiyskaya gazeta*. FBIS-SOV-97-274, 1 October 1997.

⁸¹The Current Digest of the Post-Soviet Press. Vol.XLIX, no.39 (1997), p. 14.

pursue social reforms from the bottom up. Undoubtedly, this process is most effectively implemented at the municipal level. If this is the case, then, perhaps Yeltsin's new willingness to protect the interests of local government signals a shift from choices made on the basis on purely political calculations to more substantive issues.

It remains to be seen if the regional leaders will once again succeed in securing for themselves the dependence of the president, Yeltsin or otherwise. There is evidence to suggest that this is precisely what they plan to do. An article that appeared in *Nezavisimaya gazeta* on January 21, 1998 had as its headline "RION [Russia is our Home] is ceasing to be the Governors' Party." The author described the governors' creation of a new "regional power group." The danger here lies in the possibility that the governors will use their considerable resources to mobilize support against the party of the government for no other reason than to demonstrate that no aspiring politician can hope to be successful without their support. Although this may not be entirely negative, history has demonstrated that buying the regional leaders' support does not necessarily entail improving the lot of the citizens of their regions. According to this article "In 1999, regional parties will put themselves at the disposal of politicians and structures that promise to strengthen the local leader's position in the future."⁸²

⁸²The Current Digest of the Post-Soviet Press, Vol. 50, no. 3 (1998), p. 8.

CONCLUSION

WITHER THE FEDERATION COUNCIL?

This thesis began with several questions that guided my research and which I will now try and address more explicitly. How has the power of the regions, once confined to forcing policy concession from the centre in exchange for support, become institutionalized in the Federation Council? Moreover, if the power of the regions was formerly derived from the paralysis at the centre, how have the regional elite become largely beyond the reach of either the president or the Duma? To answer these questions, it is important to return to the central premise articulated in the literature review - the development of institutions or rules of the game are guided by choices made by rational, self-interested actors. Political processes and institutions, therefore, emerge as a result of a sequence of choices based on short-term calculations of political gain, but which may have long-term implications.

If the Federation Council is a reflection of centre-regional dynamics more generally, then what can we conclude about the development of this relationship? The Federation Council was originally envisaged as a means of circumventing the Supreme Soviet. The issue of regional representation became highly politicized in the drive to gain the support of the regions and, in the process, during the period from 1991 to the October crisis, they were powerful primarily as a result of the unwillingness of those at the centre to assert any pressure on the regions.

The reforms that proceeded the October crisis did not see the role of the regional leaders

diminish even though their role changed considerably. At that time, Yeltsin was no longer engaged in a struggle for power with the Duma as, arguably, he consolidated his position with the adoption of his constitution. At the same time, however, the regional leaders, specifically the governors, were empowered to themselves consolidate their positions in the regions. Hoping to be able to control the regional constituency in order to diminish the possibility that they may line up behind an oppositionist Duma, he anticipated that, through his powers of appointment, the governors would remain loyal. In the same way, Yeltsin also tried to control the other power ministries by being able to appoint and remove their leaders. Thus the governors moved from being powerful because of the dependence of the central actors to being institutionally powerful. They subsequently used the power they were given over their regions to force dependence once again.

That Russian political actors have applied a strategy that Roeder used to describe authoritarian systems, however, fits rather uneasily into a democratic system. The lack of many of the mechanisms that allow democratic systems to function, most notably political parties, meant that Yeltsin could not control for all variables. Peter Ordeshook writes that central to a stable, integrated federalism is an established system of political parties. Political parties provide a mechanism through which to strengthen the ties between actors at the national and sub-national level. Like in the model articulated by Roeder, this creates a type of mutual accountability or dependence. The problem in the Russian case is that this dependence does not flow both ways: while the actors at the centre are dependent on those in the regions, the same is not true in the reverse relationship. Arguably, in the case of the regional actors, the reverse relationship is true. Regional actors are organizationally dependent on mobilizing their constituents against the centre

rather than on building strong, overt ties to any one actor in the centre. Refusing to commit support to any one actor means that support can be continuously tied to concessions. Ordeshook expressed this well when he said:

Even when salient local and national issues do not coincide, and even if personalities distort the relationship between national and local political outcomes, the fates of national and local politicians cannot be wholly separate. The multitude of candidates for local office rely on national political figures to give meaning to the party labels...at the same time... presidential candidate[s] can[not] have the resources required to erect organizations that are as effective as mobilizing voters as are existing local party structures.¹

A similar and entirely necessary relationship developed between the central and the regional elites, but rather than play a stabilizing role, it destabilized the situation. Like the Soviet system before it, in this relationship, there was no distinguishing between state and party functions. Rather than the development of links between the centre and regional party organizations, a surrogate dynamic occurred between the centre and regional levels of government. Where this differs from the way political parties function, however, is that there is no formal commitment or convergence of interests that brings these actors together. Rather, as we have seen, it is based on a purely quid pro quo relationship, with those at the centre vying for power dependent on those in the regions.

As a result of this relationship, arguably the regions became even *more* powerful after the October crisis. The governors enjoyed virtual free reign in their regions, including to a large extent, control over the electorate. Yeltsin was bound by his earlier promises to include the

¹Peter C. Ordeshook, "Russia's Party System: Is Russian Federalism Viable?" in Post-Soviet Affairs. Vol. 12, no. 3, 1996, p. 205.

regional leaders in the upper house and when it was time to decide the issue of the formation of the Federation Council, the governors used their position in the regions as a means of gaining access. We saw that in both the law on the formation of the Federation Council and the law on local self-government, the governors made their collective thoughts known through the Federation Council and Yeltsin was bound by it. The fact that Yeltsin tried to reassert control in the regions only after the presidential election is suggestive of the power the regional leaders exercise over the election process.

Whether this situation will reemerge is difficult to predict. If, before the next round of elections, a functioning system of political parties develops and takes root in the regions as well as the centre, then the need to secure the support of the regional leaders will diminish. If this does not occur, however, it is likely that those actors at the centre vying for power will again be beholden to the regional leaders who, in effect, act as gatekeepers. The danger in this situation is that it is not inconceivable that regional political actors, being aware of this, will reject any overtures towards establishing a party system in the regions. In this case, a very valuable and stabilizing force in democratic politics will be sacrificed to self-interested actors.

The questions regarding the role of the Federation Council are difficult if not impossible to answer without reference to its members. How did the Federation Council change the balance of power between the centre and the regions? How did executive-legislative relations change as a result of the Federation Council? What role does the Federation Council in the Federal Assembly? If the Federation Council was/is a powerful upper house, it is less as a result of its procedural powers over legislation, particularly as it did not exercise these powers to anywhere near their fullest, than it was a result of the power of its members, power that they exercised

independent of the Federation Council. The governors were, arguably, the most powerful regional actors and, by extension, the Federation Council, as the institutional voice of these powerful players, was a powerful institution which could not be ignored. Returning to my earlier supposition, the Federation Council was designed to give the regions a powerful voice in the national legislature and, perhaps, shift the focus of their attention from the regions to the centre. Ironically, it was probably as a result of the Federation Council's formal, defined role in the Federal Assembly, with its inherent limitations, that the members ultimately chose to reject dividing their energies between their executive functions in the regions and their legislative role in the Federal Assembly in favour of the former. If actors make choices based on rational calculations, with the goal being power, then this would seem to explain their decided lack of enthusiasm for the upper house. Moreover, when the Federation Council did partake in legislative debates and the outcome was not as it hoped, as is testified to in the case of the law on local self-government, they largely failed to implement it. Perhaps we can conclude, then, that placing the governors, the head of the regional executive branches, in the Federal Assembly provided them a means of blackmail: if the Federation Council's wishes are not realized, its members will simply thwart these initiatives using other means. In recognition that their real power was derived not from membership in the Federation Council but rather from making credible threats that they would mobilize their constituents against the centre and Yeltsin in particular and by controlling implementation, the governors chose to occupy themselves in the regions. It remains to be seen whether or not Yeltsin's tougher line vis-a-vis the regions will result in greater activity in the Federation Council.

More broadly, this study has revealed that, at least during the reform period, political

actors make choices based on two considerations: first, the preservation of their own political positions and to maintain or increase access to power, and, second, to control the policymaking process. Of course, these ideas are related: political survival connotes political power, whether this is procedural power, derived from the power of one's office or through access to political resources, including, for example, public support or economic resources. Power, in turn, suggests policy making. This assumption that political actors are concerned first and foremost about power, however, does not assume that there is anything approaching a uniform rationale for the desire to preserve political power. As David Mayhew suggested in his study of U.S. congressmen, political power "has to be the proximate goal of everyone, the goal that must be achieved over and over if other ends are to be achieved."² If politics is the art of the possible, political power is the essential prerequisite. Power, then, is desirable not for its own sake, but is a necessary means to undetermined ends. The limitations of this and other similar studies is that it is difficult, if not impossible, to determine precisely what are the specific motivations of each actor. When dealing with a diverse set of actors that each are motivated by and hold a different set of beliefs or ideologies, any attempt to reduce these factors would be difficult if not impossible. Moreover, the goals and objectives that motivate political actors are subject to change as circumstance or the demands of voters, to name a few, change. Rather it is more persuasive to suggest that actors are motivated to seek power and to engage in a type of bargaining in pursuit of this power in order to be able to themselves determine political outcomes, whatever they may be.

This is not to suggest, however, that political actors cannot be situated within a larger

²David R. Mayhew quoted in Roeder, p. 10.

context and that this context does not influence this process. If my assumption is that political actors are driven to engage in power-seeking games, many factors have informed or influenced the strategies adopted by the actors examined here. Extraneous factors such as political culture or historical legacies; cleavages such as ethnicity or ideology; and the reform process itself have together partially conditioned the strategies each actor adopted during the bargaining process. The beliefs that political actors hold about politics also played a role in prompting them into the types of power games that I described.

Soviet historical legacies clearly influenced the way that political processes unfolded. For example, that the Soviet Union was a very centralized state with power concentrated in Moscow likely prompted the regional leaders in the post-Soviet period to ensure that this trend was overcome. This tendency for the regions to expect from the Russian state certain centralizing tendencies and adopt a defensive posture vis-a-vis the centre could arguably have been historically conditioned. The current regional leaders in many cases developed their political skills during Soviet era political processes and come to the political arena with a certain set of expectations or beliefs about the other actors involved and how they will respond and what their political motivations will be in this uncertain political environment. In fact, it is this degree of historical continuity that led me to explore and extend to contemporary Russian political processes a theory that was developed to account for the failure of Soviet politics.

The inequities of the federal system itself in terms of the differing status between the various federal components also probably prompted the regional leaders to engage in this power game if only to equalize the powers between the components. Rather than be content in a system that bestowed considerable powers in the hands of some federal components and not others, the

leaders of the *krais* and *oblasts* were driven to seek power in order to redress this imbalance. And if inequality necessitated bargaining over power, then ethnicity determined along what lines this would take place. Russia's ethnic republics have fiercely guarded their privileges while, at the same time, the *krais* and *oblasts* have had to use other means to raise their status such as unilaterally declaring themselves republics. All the regional leaders are thus prompted to either seek power in order to safeguard the privileges they already have, as in the case of the republics, or in order provide them the political resources necessary to see their privileges increased.

This inequity has been a destabilizing factor in post-Soviet Russian politics. The regional leaders used this issue to bolster their power and concomitant ability to control the fate of their regions. Moreover, that the dominant discourse in the regions has been to blame Moscow for the economic hardships suffered by the regions, the regional leaders have a vested interest in assuming an antagonistic posture vis-a-vis the centre. The issue of legitimacy is similarly bound up in this dynamic as legitimacy itself is derived partially from the success of the regional leaders in their battles with the centre. Along the same lines, the reform process and the economic turmoil that it has created has similarly provided an incentive for the regional elites to try and control as much of their regional revenue and resources as possible. This is particularly true given the peculiar nature of Russian interbudgetary transfers, with the regions transferring in some cases almost all their revenue to the centre, with Moscow redistributing it only after.

These issues intersect and are magnified by the devastating effects of market reform. Struggling over the scarce resources available since the fall of the Soviet Union necessitates this type of power-seeking as, often, political resources are the best means to economic resources. Again, this reinforces the tendency of regional leaders to adopt a hostile posture toward Moscow

as this behaviour has been rewarded by increased access to economic resources. This also brought to the fore issues of ideology. Clashes over the speed and direction of reform, at their essence, are also about ideology and beliefs regarding the future of the Russian state. At such a crucial time in its history, power means control over the reform process and over the future itself. For Yeltsin and perhaps the regional leaders, this is clearly worth forgoing democratic norms in the pursuit of power and control.

The tendency of actors at the Russian centre to value the loyalty of regional leaders over ability is also explicable with reference to Russia's historical legacy. This was a strategy that informed the choices of Soviet leaders and Russian leaders even further into Russia's past. Moreover, undoubtedly Yeltsin has tried as much as possible to control the reform process himself, even to the point of alienating close political allies if they appear to be "playing politics." This pattern of purging the top echelons of power has clear roots in Russia's not too distant past. Seeking to bypass parliamentary and regional opposition in his drive to reform Russia may also be a product of political culture. Rather than try and build compromises, Russian political actors have repeatedly demonstrated their willingness to approach politics as a game, with the ultimate goal being the concentration of power in the hands of a few, like-minded individuals.

Moreover, that the regions have reacted to the centralizing tendency of the centre is testified to by the concentration of power and the unwillingness of the president, in particular, to part with it. That Yeltsin sought control over the governors and, by extension, the regions through his powers of appointment suggests both that he is unwilling or at least hesitant to deal with autonomous, powerful regional actors and that his actions are not wholly guided by a commitment to the principles of democracy. Yeltsin has consistently tried to control the reform

process in the regions by maintaining his control over regional revenues and resources. Economics, however, have taken a back seat to politics in cases where regional leaders have demonstrated that they are not willing to be led. The case of Eduard Rossel illustrates precisely where Yeltsin's priorities lie. Despite the fact that Rossel was and is one of the most reform minded regional leaders, Yeltsin removed him from his post of governor. This was in response to Rossel's repeated attempts to turn his region into a republic, thus assuming more power for his region and away from the centre.

So the context within which Russian politics are played has contributed to this power seeking tendency evident in most political actors. This situation is unlikely to change as long as the system remains in this developmental stage. Unfortunately, this stage and particularly the development of Russia's federal system has been prolonged due to the absence of legislation that defines the comprehensive division of powers between the components and the centre. Russian federalism now more closely resembles "treaty federalism," with each component in its turn negotiating with the federal centre. This process itself has prolonged this tendency towards power seeking and zero-sum thinking that are attendant with the negotiations that characterize this type of federalism. Power can secure for an actor leverage in order to secure maximum concessions or, in the case of the actors at the centre, in order to reduce concessions. In this way, centre-regional dynamics are very much determined by the political power resources that each actor brings to the bargaining table. This situation will continue to destabilize centre-regional relations and executive-legislative relations, given the presence of the governors in the Federation Council, until these relations are governed by a comprehensive and respected set of laws.

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