



## TOP NEWS

- Putin leads nearest presidential rival by 75%
- Seven candidates qualify for presidential ballot
- Khakamada blasts Putin on 2002 hostage deaths
- Putin to skip candidate debates
- Some liberals call for election boycott
- Candidate Rybkin disappears for five days
- United Russia takes control of Duma committees
- Moderate replaces nationalist Rogozin as Duma foreign affairs committee chair

### SEE INSIDE

*P.2: How strong is Russian trust in Putin?*  
*Pp.5-13: Putin's Second Term: An insider on foreign policy plans (Nikonov, p.5); opposing views on the fate of Russian democracy (Domrin, p.6; Michaleva, p.8); and leading experts on the future of big business (Kolmakov, p.10) and federalism (Petrov, p.11).*

### On the Campaign Trail

## THE PUTIN JUGGERNAUT

With the official start of media campaigning for president set for February 12, tension fills the Russian air. But the tension has everything to do with a recent wave of terrorism and virtually nothing to do with electoral battle. Incumbent Vladimir **Putin** towers so far above other candidates that few even call the election a race. With the major TV networks firmly under state control and at least one of the six other candidates campaigning for him, Putin is unlikely to face an attack strong enough to bring down these numbers significantly. Just to be sure, he recently announced he will skip the candidate debates. At least two opponents appear prepared to mount spirited challenges, but they are looking less to March 2004 than to March 2008. Meanwhile, Putin's favorite party, United Russia, continues to tighten its control over the Duma and to set its sights on the Kasyanov government, which it hopes to replace after Putin wins reelection. (*Is Russia on the road to autocracy or democracy? See Domrin, p.6, and Michaleva, p.8.*)

## THE UNCAMPAIGN

Putin's chief strategy is simply to continue to be presidential in public eyes by meeting with foreign dignitaries, traveling the country, and, most importantly, staying above the political fray. Standing up for Russian interests in the wake of the Iraq war, he met with Colin **Powell** in Moscow. (*Will Putin's second term bring a foreign policy change? Turn to Nikonov on p. 5.*) Signaling his concern for Russian interests in its "near abroad," he traveled to Ukraine and Kazakhstan and consulted with their presi-



### TRACKING THE POLLS:

#### How the Presidential Race Now Stands:

	Nov.-Dec.	January
Putin	75%	79%
Glaziev	2	4
Kharitonov	—	2
Khakamada	—	1
Gerashchenko	—	1
Mironov	—	1
Malyshkin	—	< 1
Rybkin	—	< 1
Against All	—	4
Hard to Say	—	6

*January figures are from polling agency VTsIOM-A's survey of 1,601 adult citizens nationwide conducted January 23-27, 2004. Numbers represent the percentage of respondents who, given the list of candidates, say they would cast their ballots for a given candidate if the presidential election were held the following Sunday, counting only those who intend to vote. On the November-December poll, see the January issue of REW.*

### DATES TO REMEMBER

*February 12, 2004: Mass media campaigning begins*  
*March 14, 2004: Presidential election*

dents. Claiming to represent the whole nation rather than any one political party, he spurned United Russia nomination and declared that he would run as an independent, even though this meant a costly signature-collection drive from which party nominees are exempt. Casting virtually nothing as "campaigning," he nevertheless used his travels to project certain messages. In the city of Cheboksary, for example, he discussed his vision for regional economic development. (*Is Putin ending Russian federalism? See Petrov on p. 11.*)

More dramatically, in his native city of St. Petersburg, he met with veterans' groups and visited the spot known as the "Neva Nickel," where his father fought and was wounded during the 900-day siege of Leningrad by Nazi Germany.

While Putin recently tapped first deputy chief of staff Dmitry **Kozak** (below) to head his campaign, his main goal is essentially to keep the campaign invisible and in fact to cast "campaigning" as a dirty activity pursued by petty men and women who are only out for themselves. Thus after a horrific explosion killed some 40 innocents



on a packed subway train in early February, he called for a tough response and hinted that anyone who questioned him was basely using a tragedy for political ends or, worse, was in cahoots with the terrorists. Not only has Putin announced that he will skip the debates, but he has declined to make any use of the free television airtime to which he is entitled by Russian law. Of course, as incumbent, he can count on extensive coverage of his own activities as a newsmaker. This same "uncampaign" strategy produced a landslide victory for him in 2000, and he has seen no reason to change it.

Indeed, his imagemakers have been highly effective in helping him sustain a "presidential" image. Remarkably, his public trust ratings have often been close to 80% since he took office. Some of this support is iron-clad, with 10-20% of respondents regularly saying that they trust him "fully," as shown in the graph below. The numbers also indicate, however, that most of those who support Putin are keeping at least some distance from him, reporting that they "tend to" trust but do not *fully* trust him as president.



(Central Election Commission reviews signatures)

On a packed subway train in early February, he called for a tough response and hinted that anyone who questioned him was basely using a tragedy for political ends or, worse, was in cahoots with the terrorists. Not only has Putin announced that he will skip the debates, but he has declined to make any use of the free television airtime to which he is entitled by Russian law. Of course, as incumbent, he can count on extensive coverage of his own activities as a newsmaker. This same "uncampaign" strategy produced a landslide victory for him in 2000, and he has seen no reason to change it.

Yet no rival has even come close to such levels of public trust, and, with the state largely barring negative stories and advertisements about Putin on its TV networks, no one thus far has been able to exploit this wariness effectively.

## THE UNRACE

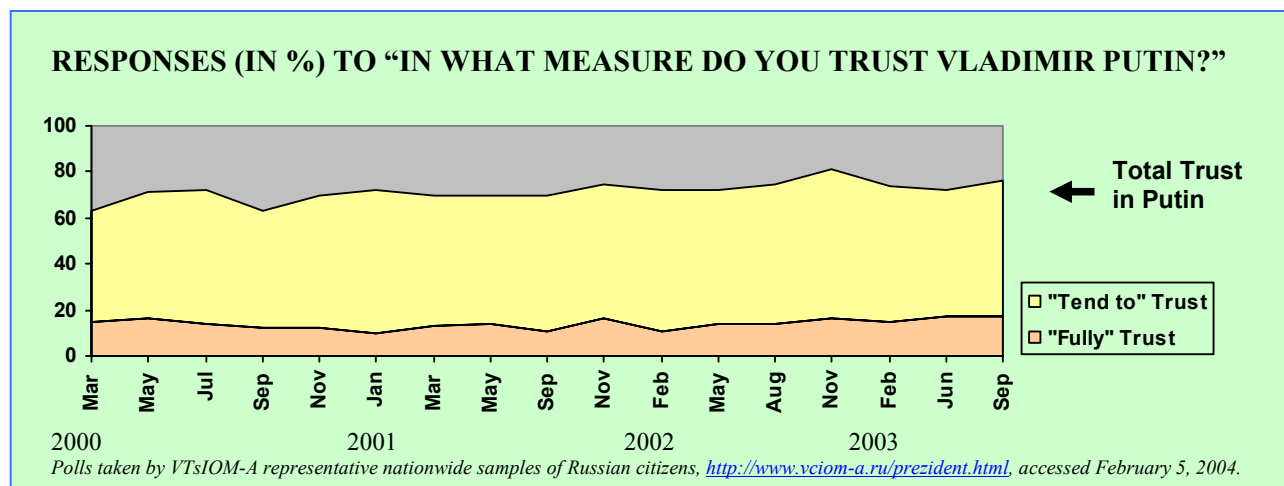
In the 2004 presidential race, Putin faces only two challengers who can be considered half-way serious, and both have been unable even to secure the full support of their own parties. The stronger, polling 4% with less than two months to go before the election, is Motherland bloc leader Sergei **Glaziev** (left). This past fall, the Kremlin helped this leftist economist's bloc go from nonexistence to 9% of the vote in the Duma race as a way of defeating the Communists. Now, however, Putin's forces reportedly see him as the closest thing to an obstacle to a first-round victory for the President, which requires winning more than 50% of the vote. Glaziev, known primarily for his calls to radically hike taxes on super-rich natural resource companies, says that he finds Putin personally appealing but that his policies are not tough enough. (Read Kolmakov, p. 10, on the future of Russian big business.)



All this has severely complicated relations between Glaziev and Motherland co-chair, Kremlin fellow-traveler and nationalist Dmitry **Rogozin**. (right). Curiously, the bloc formally nominated not Glaziev, but former Central Bank head Viktor **Gerashchenko**, who was subsequently disqualified by the Central Election Commission on a technicality. Glaziev proceeded to cast himself as an alternative candidate getting on the ballot as an independent in case Gerashchenko's candidacy fell through. Rogozin, however, disavowed Glaziev's run, declaring that Gerashchenko was the bloc's only horse in the race and that the party would fight for his reinstatement by the Supreme Court. Shortly thereafter, while Rogozin was out of the country in Strasbourg, Glaziev convened Motherland dele-



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gates to reorganize as a “social organization,” getting himself elected sole leader in the process and relegating Rogozin to one of 25 seats on a governing council. Rogozin charged that this move was illegitimate and, once the Supreme Court disqualified Gerashchenko once and for all, he endorsed Putin for president.



The only other active Putin opponent, Irina **Khakamada** (left), declared an independent run for the presidency back in December after her party, the Union of Right Forces (SPS), failed to clear the five-percent threshold in the Duma race and refused to nominate anyone for president. Hoping to energize democratic voters disaffected with Putin, she made political waves in mid-January by publicly accusing him of sacrificing the victims of the 2002 hostage crisis in a Moscow theater by ordering the use of toxic gas and then covering up that the gas was in fact toxic, all for political gain (photo of rescue at right). “I come to the inevitable conclusion that this terrorist act helped whip up anti-Chechen hysteria, continue the war in Chechnya, and bolster the high rating of the President. I am convinced that the attempts to hide the truth in the current situation are, in essence, a state crime, and therefore I have made the decision to advance my candidacy for the presidential elections,” she railed.



While a few newspapers carried this statement as a paid ad, *RFE/RL Newswire* noted that others refused to run it, citing Russian law barring mass media campaign advertising until February 12. The same source reported that Russia’s two biggest television networks made no mention of the accusations, while the third alluded only to “serious” charges against the President. Her declaration had a polarizing effect even within SPS. The party’s most powerful and Putin-friendly personality, United Energy Systems chief Anatoly **Chubais** (below), said that he was no longer able to support Khakamada for president. According to one estimate, about half of all delegates to an SPS party congress in late January agreed with him, declining for a second time to back her candidacy. Many in SPS are supporting her, however, and have organized some 40 regional party committees to help. Nevertheless, at the end of January Khakamada remained at just 2% in the polls.



After United Russia’s crushing victory in the December Duma elections, virtually all other high-profile politi-

cians effectively conceded the presidency to Putin. As noted in the January issue of *Russian Election Watch*, the Communist Party (KPRF) and the Liberal Democratic Party of Russia (LDPR) both benched their party leaders and



fielded small-time figures, Nikolai **Kharitonov** (left) and Oleg **Malyshkin** (right, with Zhirinovsky), respectively, whose main jobs are to keep their party brands in public view and to prevent anyone other than Putin from encroaching on their electorates.

In fact, other than Putin, the candidate who made the most headlines in the race did so because he took inactivity to a new extreme. In a move he later explained as an attempt to get away from it all, former Duma speaker and Security Council chief Ivan **Rybkin** (below right) simply hopped a train to Ukraine on February 6 without telling his campaign manager or even his wife. The latter two then filed a missing persons report, only for him to turn up five days later and apologize. Few expect him to net many votes in this contest; he has not been able even to rise above the one-percent mark in the polls. In fact, some commentators have predicted that he will withdraw to clear the way for Khakamada. But experts see him as someone who might nevertheless go down fighting since he is a member of the “Liberal Russia” party linked with the disgraced anti-Putin “oligarch” Boris **Berezovsky**, who presumably can be counted on for significant financing. Rybkin has denied receiving such funding and has shown no signs of spending it so far.



The only other candidate to qualify for the ballot is one of Putin’s closest associates, Federation Council speaker Sergei **Mironov** (left), running as a “backup” candidate for pro-Kremlin forces. Other declared candidates, businessmen Vladimir **Bryntsalov** and Anzori **Aksentev-Kikalishvili**, pulled out in January before attempting to submit the signatures they needed to get onto the ballot.

A few political forces, notably the liberal Yabloko party and some human-rights organizations, have called on voters to boycott the elections in order to protest what Yabloko leader Grigory **Yavlinsky** (right) called “the slide of the country into authoritarianism.” This has not made much of an impact in the polls, although the number of people saying they will likely vote has been declining over the past month. According to polling agency VTsIOM-A, in late January, 58% of the population still planned to vote, down about 8% from the previous poll, although much of this decline in anticipated turnout appeared to be because people see Putin’s victory as assured.



## UNITED RUSSIA'S DUMA

As the presidential race nears, United Russia continues to consolidate its gains from the December Duma race. Absorbing a few more independents, the party's fraction membership has reached 306 legislators. This was more than enough to win any vote, and the party accordingly broke with previous Duma tradition and gave the chairships of all 29 committees to its fraction's members. One notable change from the previous Duma is that the nationalist Rogozin was replaced by career diplomat Konstantin **Kosachev** as head of the International Affairs Committee. Rogozin has thus essentially been marginalized in the new Duma. The moderate pragmatist Andrei **Kokoshin** was renamed head of the Committee on the Commonwealth of Independent States and Compatriot Relations. Other key committees went to

relative unknowns, such as former Piatigorsk Mayor Yuri **Vasiliev**, who now heads the Committee on the Budget and Taxes. Not all posts were reserved for United Russia's inner core of members, however; former SPS legislator Pavel **Krasheninnikov** was essentially allowed to stay on as a committee chair, heading the important Committee on Civil, Criminal, Arbitration, and Procedural Legislation. Attempting to forge a unified voice on important issues, the party also moved to restrict its legislators from making statements to the media without party authorization except on matters concerning their districts.

— Henry Hale, *Indiana University*

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Accessed August 18, 2003: [www.gzt.ru](http://www.gzt.ru) (Glaziev). Accessed February 6, 2004: [www.1tv.ru](http://www.1tv.ru) (Putin); [www.president.kremlin.ru](http://www.president.kremlin.ru) (Kozak); (Glaziev). Accessed February 9, 2004: Kharitonov, [www.pravda.ru](http://www.pravda.ru), all others, [www.kommersant.ru](http://www.kommersant.ru).

# **PUTIN'S SECOND TERM: LEADING RUSSIAN ANALYSTS ON WHAT TO EXPECT**

## **FOREIGN POLICY IN PUTIN'S SECOND TERM**

**Vyacheslav Nikonov**  
*President, POLITY Foundation*



### **SOME KEY POINTS:**

*\*Notions of Russia becoming part of the West by next Thursday or reverting to confrontation with the West are gone forever.*

*\* Putin is steadily leading Russia to integration with the West.*

*\* Putin's second term will be a continuation of the first, a time to work out a long-term strategy for Russia and a preliminary answer to "Where do we belong?"*

*\* The U.S. presidential campaign could spell trouble for US-Russian relations.*

When asked to comment on how the presidential election will impact Putin's foreign policy during his second term as president, I was at a bit of a loss. International relations are playing no role whatsoever in the campaign, which, like the Duma races last fall, is utterly issueless. In general, only events on the scale of bombings of Belgrade or Baghdad can turn Russian public opinion to the outside world.

Nothing like this is going on, and Putin does not have to show any particular toughness or softness to achieve a landslide victory. Popular support for the president is running very high, and one can hardly say that his re-election would fundamentally augment his legitimacy and that this could serve as the basis for a new political direction.

Continuity will be the hallmark of the administration's foreign policy. I have said more than once that Putin is a conservative, a Gaullist. Proceeding from his ideology, he will continue the independent, activist, multifaceted policy of a pragmatic father of

his country, concerned with the greatness of the nation.

Considering Russia's weakness to be the main threat to its security, Putin views foreign policy first and foremost as a means to effect conditions favorable to economic growth. Without a long-term international strategy for the country, which has still not entirely forged its new identity, policy will be largely reactive.

The novelty of the current situation lies in the obsolescence of the old 1990s dichotomy—liberalism versus communism. It appears that this is gone for good, since both the Communist Party and the liberals from the Union of Right Forces and Yabloko are now embracing an utterly suicidal tactic that will lead very soon to their complete disappearance from the Russian political arena. But that is another story. The bottom line is that notions of Russia becoming part of the West by next Thursday or reverting to confrontation with the West are now things of the past and forever will be so.

The president is now surrounded by two dominant groups, each with its own approach to foreign policy. First, the integrationists—the economic part of the administration, the "Family", oligarchs, etc.—advocate the maximum possible Russian participation in the world's basic integrationist institutions.

Second, the neo-isolationists, basically representing the power wing of the administration, argue that a Russian path to growth, with emphasis on our own strength and a zone of national interests without a Western presence, is preferable. Neither group has a decisive advantage, and the balance of power in the Kremlin will continue into the future.

Yet it is important to stress that Putin is a more pro-Western and democratic politician than the overwhelming majority of the elite, not to mention the populace. He is leading Russia along a path of integration and will continue to do so, giving the unavoidable rhetoric of a Russian "special path" its due. And considering the natural limitations that are the principal obstacle to Russia's entry into the main European and trans-Atlantic structures—the European Union and NATO—far from everything depends on us.

### **Putin is more pro-Western and democratic than the overwhelming majority of the elite, not to mention the populace.**

It is probably premature to look ahead to Russian-American relations in November 2004, but they promise to be anything but simple. In the American elections, the Democrats are taking an interest in exactly what it was that George W. Bush saw in Putin's eyes, and the American president will have to show that he is far from completely agreeing with his Russian colleague.

Putin sees no problem with Russia's democratic society, and he will not take any criticism of human rights. The development of Russian democracy will not correspond to many American conceptions about this process. Mikhail Khodorkovsky stands a good chance of serving the

full prison sentence allowed by law—ten years. Russia will get bad press.

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## Far from everything depends on us.

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Without fail, Putin will view the Commonwealth of Independent States just like before, as a zone of special Russian interests and will be unhappy with any American activity there. For its part, the US does not see why its behavior in the post-Soviet space should be any different from anywhere else on the planet and is thus inclined to ignore Russian concerns.

As long as the Russian elite does not get an answer as to what concretely it will get from a tighter partnership with the United States, or does not provide an answer for itself, there will be no particular inclination to pursue such a partnership.

Europe is becoming an increasingly complex and tangled-up entity, with which it will not be easy to have relations. Beyond that, the EU is preoccupied more and more with its own

problems of slowed economic growth, escalating internal tensions, and absorption of new countries that are essentially unprepared for membership and exhibit nationalistic inclinations (and the majority are anti-Russian).

Europe will be more egoistic, and Russia will face long and tedious negotiations over admission to the World Trade Organization, anti-dumping procedures, freedom of movement across borders for Russians, transit to Kaliningrad, etc.

Moscow is on the verge of making historic decisions that could lead either to long-term close strategic partnership with China or to deep strain on the bilateral relationship. At issue are plans to build an oil pipeline from northern Siberia; the choice is between a terminus at Datsin in China or at the Russian port of Nakhodka on the Pacific for ultimate delivery to Japan, Korea, Southeast Asia, and the US. Delay of a final decision has greatly irritated the Chinese government, which will wait only until spring, at the latest.

Putin understands the potential downside of focusing on a single con-

sumer market in Asia, especially since the main lobbyist for the Chinese route, Yukos, has fallen out of favor. I think that Moscow will make an effort to find new oil reserves so as to supply both pipelines from the outset and, with that in mind, will take advantage of Japanese proposals for large-scale investment in oil-drilling in Siberia. Cooperation on energy promises to extricate Russian-Japanese relations from their current dead end.

Thus, Putin's second term will be a continuation of the first. It will be a time to work out a long-term strategy for Russia and at least a preliminary answer to the question "Where do we belong?" For now, the only indicator of any change is the appointment of Konstantin Kosachev as chair of the Duma committee on international affairs. He is a career diplomat and a man more pro-Western and less nationalistic than his predecessor, Dmitri Rogozin. ■

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## “FREE, BUT NOT FAIR”: “NOT FAIR” FOR WHOM?

Alexander Domrin

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### **SOME KEY POINTS:**

\* *Western assessments of what is “free and fair” in Russia have often been politically motivated.*

\* *While the Communists did face some unfair practices, the poor result of the liberals represents the Russian people’s choice.*

\* *The U.S. administration and American programs in Moscow should respect the outcome of the 2003 Russian elections.*

This is not the first time that Western officials and mass media have questioned whether an election in Russia has been “free and fair.” The U.S. “Russian Democracy Act of 2002” (P.L. 107-246) named only two “substantially free and fair Russian parliamentary elections”—those in 1995 and 1999 (sec. 2(3)(B)). Fascinatingly, early versions of the bill

(as introduced by Rep. Tom Lantos on June 12, 2001 and passed by the House of Representatives on December 11, 2001) extended the same definition to Russian “Presidential elections in 1996 and 2000”. The U.S. Senate Committee on Foreign Relations struck down the second part of the sentence. At long last, U.S. Senators became embarrassed to call Yeltsin’s shameful reelection in 1996 “fair.”

Equally significant was U.S. Congress’ omission of two other Russian parliamentary elections—those in 1990 and 1993—among “free and fair” elections. As a reminder, the elections of 1990 were recognized as “the freest ever held in Russia” by such organizations as the U.S. Federal Election Commission and the Lawyers Committee for Human Rights. Nobody doubted the “fairness” of those

elections either. Not until President Yeltsin decided to dissolve that very parliament and had the assurance of President Clinton that the U.S. administration supported Yeltsin “fully” in his “consolidation of democratic reform.”

Everything is clear with the 1993 elections too. The “red-brown” Supreme Soviet was burned down. Dozens (if not hundreds, we’ll never know the exact number) of its defenders were killed. The U.S. Senate voted for \$2.5 billion in “assistance” to Russia and other former Soviet republics in order, as Senator Claiborne Pell (D-RI) bluntly put, to “to show the reformers in the NIS that we are in their corner”.

Believing that the new Duma would be “truly representative,” and “far more democratic and friendly to the West than the previous parliament,”

Representative Gerald B. Solomon (R-NY) called on the U.S. President and Congress to “divert from existing programs whatever resources necessary to achieve the objective of ensuring” victory for the “reformers” in Russia. Yet, ungrateful Russian voters turned their backs on the “reformers.” How could this kind of election be “fair”?

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## Two groups of people have a right to say that the last Russian elections were not completely “fair.”

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However, there is a certain truth in criticism that the last Russian elections were not completely “fair.” Two groups of people and political forces certainly have a right to say so.

The first of them is the Communist Party of the Russian Federation (KPRF). Negative campaigning and the misrepresentation of the KPRF on Russian TV are well-documented. Analysts of the liberal *Novaia Gazeta* and *Nezavisimaia Gazeta* (who cannot be accused of being Communist sympathizers) came to the same conclusion, that the KPRF was “put on ice” by three out of four national TV channels (Channel 1, RTR, TV Center).

The same channels “ignored or covered neutrally” the electoral campaigns of SPS, Yabloko, and the LDPR (Channel 1, RTR) or Yabloko and the LDPR (TV Center). The remaining national TV channel—NTV—did not take sides and covered all parties “neutrally.” The fairness of the KPRF’s complaints was recognized in two official letters from the Central Election Commission’s Law Department.

Regardless of our attitude to the KPRF, it is necessary to admit that only once before, during the 1996 presidential campaign, was the party and its supporters an object of this kind of “black PR”—dirty tricks, open lies, and uncivilized pressure from the government.

The other group of people who can wholeheartedly question the “fairness” of the 2003 Duma elections are USAID-funded International Republican Institute (IRI), National Democratic Institute (NDI), and similar programs in Russia. Millions of dollars

and best hopes (who said “wishful thinking”?) were invested into attempts to “help” SPS and Yabloko to “strengthen their organizational structures and their role in elections,” and what is the result?

Even the largest financial contributions and considerable “administrative resource” (from Chubais’ Unified Energy Systems and members of Kasyanov’s government) did not save SPS from a miserable failure in the elections.

Exploitation of the late Galina Starovoitova’s legacy did not help Irina Khakamada to win in Starovoitova’s district No.209 in St. Petersburg, where former State Duma Speaker Gennady Seleznev received more than twice as many votes (100,326 against Khakamada’s 45,118). The chairman of St. Petersburg’s branch of SPS, Grigory Tomchin, did something nearly impossible: he won 32,946 votes in his district No.207, and managed to be crushed by another candidate named “Against All” (who got 46,646 votes).

The fact that two-thirds of SPS’s Duma campaign budget (as SPS’s internal investigation reportedly showed) was embezzled is hardly an excuse here.

Russian “liberal” parties were able to bring only 7 members to the 450-deputy Duma. And the first thing five of them did after the elections was to switch sides and join the pro-Putin Unified Russia. (Did somebody say “principles”?)

Reproduction of my previous article from *Russia Watch* (No. 9, January 2003) on *Johnson’s Russia List* (No. 7314, September 6, 2003) caused a fierce reaction from IRI officials in Moscow. Calling themselves “Americans who work tirelessly in Russia on the very issue of party-building” and praising the IRI program for its “intensive” and “hard” work in Russia “for over a decade,” they denied working with just two main “reformist” parties in Russia (No.7326, September 16, 2003).

Well, the devil is in the details. Even though the IRI Moscow web site says that IRI works “intensively” with three other parties, including a non-existent “Union of Unity” (what’s that?), the web site provides links only to these three parties: Yabloko, SPS, Russia’s Democratic Choice and to these two individuals: “Sergei

Kirienko—leader of New Force Party; Boris Nemtsov—leader of Young Russia Party.” Did anybody expect something different?

Analysis of the eight last issues of the NDI periodical in Russian (Nos. 28-35) shows the same picture. *Vestnik NDI* is dominated by interviews of federal and regional leaders in SPS (5) and Yabloko (4) (with 2 interviews of State Duma deputies from Unity and Fatherland-All Russia) and coverage mainly of events in those two parties. Irina Khakamada was certainly right when criticizing NDI for a “somewhat one-dimensional interpretation of events in Russian political life” and for its “tendency to work with the same partners” (*Vestnik NDI*, No.30, 2001, p.1), even though Khakamada herself was one such “partner.”

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## The U.S. administration should come to terms with the inevitable reality and radically reconsider priorities of their work in Russia.

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On the positive side, results of the 2003 parliamentary elections in Russia may have an unexpectedly and inadvertently positive effect for the American people. Yet another disastrous defeat of Russian “liberal” parties can make it much more difficult for USAID, NDI, IRI, and the like to spend the money of American taxpayers on the pretext of working with “those political parties that...have significant public support with a potential for expansion” (as NDI defines one of its goals in Russia) or “working with pro-reform factions in the State Duma” (as IRI’s “Current Program” in Russia claims), for there are no such parties in the Duma anymore, and it is clear that SPS and Yabloko are rapidly losing *any* public support in the country.

The Russian people made their choice. The U.S. administration and American programs in Moscow should respect the outcome of Russian elections, come to terms with the inevitable reality and radically reconsider priorities of their work in Russia. ■

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## AFTER THE PRESIDENTIAL ELECTIONS. THE POLITICAL REGIME: REGIONAL VARIATIONS

**Galina Michaleva**

*Head of the Yabloko Party's Analytical Center*



### **SOME KEY POINTS:**

\* *The political regime in Russia can be characterized as “soft” authoritarianism.*

\* *Elections are turning into a means of legitimizing bargains made among ruling elite groups.*

\* *Governors under Putin must supply not only loyalty, but economic and political results.*

\* *United Russia has incorporated most governors, but significant provincial opposition remains.*

\* *Regional elections may provide the basis for a second wave of Russian democratization.*

### *Presidential Elections and the Political Regime in the Country*

On the eve of the 2004 presidential elections, the political regime in Russia by all indications could be characterized as “soft” authoritarianism. The following basic democratic institutions are lacking:

— a division of power with independent legislature, judiciary, and mass media;

— legal principles as a foundation for cooperation among state institutions or between state institutions and citizens. Such cooperation is realized on the basis of informal agreements. In contrast, legal norms are used arbitrarily as a means of political pressure, as the Yukos affair blatantly shows.

In addition, the following undemocratic circumstances are evident:

—the absolute domination by one political institution—the president, who controls virtually all significant forms of political and social activity;

—the thorough exclusion from political life (with the help of administrative resources) of parties representing citizens’ interests and proposing alternative political courses.

Political control is beginning to expand into spheres other than politics: nonprofit organizations, education, science, and culture.

What’s more, it is increasingly clear that ideologues close to the Kremlin

are deciding the direction of the country’s development. An example of this is Stanislav Belkovsky, whose “new state ideology” by his own account consists of the formation of a new national elite bolstered by the army and the church. This world view, particularly the religious basis for national consolidation as well as reliance on the power organs goes beyond authoritarianism to evince the classic features of totalitarianism.

Finally, the central institution of democracy—competitive, honest, free and fair elections, the presence of which distinguishes incomplete democracy from “soft” authoritarianism—is largely fading. Elections are turning into a means of legitimizing bargains made among groups within the ruling elite.

The upcoming presidential election clearly illustrates this development. Without serious challengers, it has virtually become a referendum on confidence in the current president. Furthermore, those candidates who could potentially win more than 7-10% of the vote have been excluded from the contest.

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### **Political control is beginning to expand into spheres other than politics: nonprofit organizations, education, science, and culture.**

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On the one hand, this was achieved by creating conditions extraordinarily disadvantageous to candidates who lack administrative and financial resources. On the other hand, the conduct and result of the Duma campaign forced national-caliber politicians with significant reserves of citizens’ trust—Zyuganov, Yavlinsky,

Nemtsov, and Zhirinovskiy—not to run.

It is not out of the question that even those candidates expected to win less than 7-10%—Glaziev and Khakamada—will be disqualified for one reason or another during the presidential registration and campaign periods.

Judging from VTsIOM-A’s latest poll (conducted at the end of January), Putin’s standing in the presidential race has already reached 79%. Glaziev trails him with 4%, and all the other candidates are at 1% or less. If Glaziev and Khakamada are taken out of the race and the elections turn into a completely grotesque spectacle of Putin running against only his own shadow (Mironov), political puppets and third-string politicians, this will be an important sign that the present regime has no need to bother even with a charade of democracy.

### *From Regional Political Regimes to Unification*

The story of establishing a new Russian government is one of pitting elite groups against each other in a struggle for influence and consolidation of power and resources. At the beginning of the 1990s, an alliance between Yeltsin and regional elites neutralized internal opposition, Communists and statists in the Supreme Soviet. This process led to a decentralization, at first controlled and later not, that was buttressed by the 1993 Constitution.

By 2000, the asymmetry and negotiated character of the federation had resulted in the lack of a unified legal system and an enormous number of contradictions between the Constitution and provincial laws.

In the political sphere, “economic privileges in exchange for loyalty” was the general rule of thumb in informal negotiations between more or less autonomous regional regimes and the central government (the “Center”). This deal primarily took the form of regions’ delivering the neces-



sary votes to the Center during presidential and parliamentary elections.

The political systems and regimes in the regions were varied, ranging from polycentrism with large free zones (for example, the provinces of Karelia, Sverdlovsk and Perm) to ethnically nuanced authoritarian regimes (as in Kalmykia, Bashkortostan, and Tatarstan). The political diversity of the regions notwithstanding, they all had one thing in common: their chief executives successfully took control of regional business and local self-government.

In return for maintaining loyalty to the Center, regional and local elections were entirely farmed out to local elites, although there were consultations with the Center, especially for gubernatorial elections.

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## **Unlike the Kremlin, regional leaders often have rather strong challengers with financial resources and, most importantly, the resource of public trust.**

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Under these circumstances, even when open conflicts arose as with Primorsky Krai governor Yevgeny Nazdratenko, the Center was not in a position to find coercive levers and had to resort instead to bargaining from a position of disadvantage. Thus, while Nazdratenko did wind up leaving his gubernatorial post, he received a ministerial appointment while his protégé won the replacement election for governor.

Beginning in 2000, with the strict implementation of Putin's reforms of federation structure, the regional legislation was largely brought into line with federal law. In the political sphere, regional heads lost institutional representation at the federal level—in the Federation Council—along with immunity. Additionally, they can no longer appoint the heads of power organs in the regions.

On top of that, the creation of seven new supra-regions ("federal districts") placed governors under new "bosses"

who not only controlled them but cut them off from the direct cash flow from the Center. In addition, Moscow gained the power to remove governors and mayors from office, albeit only with a court ruling. Interbudgetary relations changed also: a large portion of taxes collected in the regions have now been transferred to the Center. According to the 2004 budget, only 38% of taxes collected in the regions can be used locally.

With the adoption of the law on parties and amendments to electoral legislation, the system for electing regional parliaments was standardized. Half of each legislative assembly is now elected through party lists, in which regionally based parties are excluded from participation. Previously, these regional parties had effectively served as political machines for incumbent governors. This reform thus further limits the power of regional heads while augmenting that of the Center.

In the last three years, the overall mode of center-periphery relations has also changed: governors are expected not only to be politically loyal but also effective in making regional economic and social decisions, forcing them to establish new chains of command and to use effective management methods. The situation regarding loyalty has also changed. Whereas under Yeltsin the maxim "refrain from criticizing the head of state and give help in elections if necessary" was perfectly fine, now regional heads must deliver results. In the last Duma elections, regional heads and the entire administrative "vertical" under them worked for United Russia, and most governors and mayors had already joined the party just to be on the safe side.

### *Regional Elections: What Will Change?*

From Moscow's perspective, the leaders' obvious task now is to reprise the outcome of the Duma elections at the provincial level, giving United Russia absolute domination in regional parliaments. Yet this task is harder than it seems.

Unlike the Kremlin, regional leaders often have rather strong challengers with financial resources and, most importantly, the resource of public trust. One example of this is the recent election of Arkady Chernetsky, long-

time arch enemy of Governor Eduard Rossel, as mayor of Yekaterinburg.

On the other hand, the spectrum of parties in the regions does not look like the virtual picture created by the federal mass media, particularly when it comes to the importance of Kremlin-created pseudo-parties. One of the latter, Motherland, lacks infrastructure. The Communist Party's regional organizations vary greatly in strength and orientation, ranging from nationalism to communist radicalism. There are also internal rifts in United Russia. The organizations of Yabloko and the Union of Right Forces (SPS) have varying degrees of influence as well.

Those regional elections that have already been held under the new rules have yielded results different from those of the Duma elections. In Volgodga, Agrarian Party representatives made it into the regional parliament. In Ingushetia, the Party of Life and Yabloko were elected. In Volgograd, the Communist Party garnered nearly 26% of the vote.

Regional politicians used preexisting federal parties as springboards to political activity and their regional branches for financial support and legitimacy. Along with the presidential election, March 14 will bring elections in almost 30 regions if one counts races for governors, mayors, and local councils. In light of this, parties are an important resource not only in the party-list races but in all others as well.

It is also already apparent that the alignment of forces is completely different in different provinces. For example, in Sverdlovsk Oblast, Altai Krai, St. Petersburg, and Krasnoyarsk Krai, Yabloko and SPS are together in a united bloc. In Karachaevo-Cherkessia, Yabloko has formed a bloc with the United Industrial Party. In Yaroslavl, it is running independently.

Will the Kremlin be in a position to firmly control all this diversity, especially since it is practically impossible to use its main instrument, federal television networks, in regional elections?

The answer to that question will be the most important indicator of whether Russian authoritarianism will become "tougher" or if there is a chance for a second wave of democratization. ■

## THE 2003 ELECTION AND THE FINANCIAL-INDUSTRIAL GROUPS

Sergei Kolmakov

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### **SOME KEY POINTS:**

*\*The Kremlin demanded a greater business role in the 2003 elections, but as agents not independent actors.*

*\*Despite funding United Russia and displaying political loyalty, Yukos efforts to form an informal "Yukos fraction" in the Duma begat the Kremlin wrath.*

*\*The political influence of financial-industrial groups has now been cut*

*\*Large corporations today cannot impact legislation without Kremlin sanction.*

*\*Plans are afoot to merge business associations so as to dilute "oligarch" influence and to favor smaller corporations.*

It is no secret that from 2000 up until the start of the Yukos affair, the Kremlin maintained a policy of so-called "mutual distance" from oligarch groups. From the very beginning, all parties to this unwritten agreement, from both government and business, were aware that the idea behind the policy was to exclude financial-industrial groups (FIGs) from the pinnacle of federal political power.

Mass media (first and foremost the nationwide television networks) as well as regional elites and political parties were all implicated in the Kremlin's effort. The FIGs' dealings with such groups were tolerated, but only under the control of the political center—in other words, as "transmission belts" for the presidential administration.

In the prelude to the 2003 election cycle, the Kremlin considered the task at hand—i.e., scoring victories for the party of power and fashioning a more docile Duma—and demanded greater involvement in all parts of the process from its partners in the business world.

This involvement meant fundraising, recruiting candidates to represent the party of power on party lists and in the regions, and, to a certain extent,

serving as secret spoilers for other parties, primarily the Communists.

The crisis in relations between the authorities and business began in late spring with the first salvos of the Yukos affair. This subsequently became one of the main intrigues of the elections, defining the alignment of all the political forces and supplying grist for the campaign mill during the important final month before election day.

The Kremlin maintains that one of the biggest catalysts to the Yukos affair was the violation of the secret pact of mutual distance by the company's leadership.

By April and May 2003, it had become clear to the presidential administration that Yukos' plans for large-scale financing of the Communist Party, the Union of Right Forces, and Yabloko in conjunction with the company's successful recruitment of Yukos candidates from these parties and intentions to run a large number of district candidates in Yukos-dominated areas, would, if successful, pose the threat of an independent informal entity in the Duma.

A so-called "Yukos fraction" would entail serious consequences for the Kremlin. Yukos' loyalty and support for United Russia could not change the general negative impression. Hence such a qualitatively asymmetrical and decisive response from the authorities.

The outcome of the 2003 elections not only signaled defeat for every aspect of Yukos' campaign plan, but also significantly compromised and devalued the political activity of all the other financial-industrial groups.

Despite the facts that they remained loyal Kremlin partners in these elections and substantially increased their number of direct representatives elected by sponsoring district candidates and placing them on United Russia's party list, FIGs have experienced a significant change in their political influence.

In the reality of the new Duma, where United Russia has an absolute majority, it is practically impossible to lobby for the interests of large corporations without the express sanction of the Kremlin. From now on, the representatives of business within United Russia will be able to affect nuances of draft legislation only through informal channels and from inside the large United Russia Duma delegation, before these bills are formally introduced.

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**From now on, representatives of business within United Russia will be able to affect legislation only through informal channels and from inside the Duma delegation, before these bills are formally introduced.**

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In light of all that has happened, all indications are that big business' other legal channels of influence on the political and law-making process may change. Discussions are already underway on merging the business associations of large, medium, and small companies—the Russian Union of Industrialists and Entrepreneurs, Business Russia (Delovaia Rossia), and Support (Opora) respectively—into one in order to eliminate the term "oligarch" from popular consciousness and to dilute the demands and interests of the largest business owners with all the rest. ■

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## CENTER-PERIPHERY RELATIONS IN PUTIN'S SECOND TERM: AN ATTEMPT AT PREDICTION

**Nikolai Petrov**

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Carnegie Moscow Center*



### **SOME KEY POINTS:**

- \* *Putin's second term will produce a more unitary, centralized state.*
- \* *The supra-districts that Putin created are the heart of his new system.*
- \* *Regional leaders themselves will lead a big push to make governors presidentially appointed, not elected.*
- \* *While the Kremlin is attempting to combine a few of Russia's regions, no wholesale merger policy is expected barring an economic crisis.*

Vladimir Putin's presidency began with "federal reforms" of an anti-federalist nature. They included the introduction of seven federal districts (supra-regions) that are headed by presidential appointees and that contain federal inspectors; a change in the composition of the Federation Council with a sharp increase in Kremlin control over the body; and the legal but-tressing of federal interference in regional politics, making possible the removal of popularly elected regional leaders ("governors").

Later on, other reforms were added: strict budgetary centralization and the reallocation of local taxes to the central government ("Center"); the restoration and strengthening of vertical lines of power, including over force-oriented state organs and a new kind of party of power; the dissolution of bilateral agreements between federal and regional powers that had been actively used from 1994 to 1998; the liquidation by January 2004 of Russian regional "offshores," internal tax havens that had existed in provinces like Kalmykia, Mordovia, and Chukotka; active Moscow interference in regional elections through the establishment of a vertical chain of command among electoral commissions; and the use of blackmail and the courts against those would not voluntarily come to the necessary agreements with the Kremlin.

The end of Putin's first term has seen the start of two new federalism-related projects, sometimes called the

second phase of federal reform. One is a stricter delineation of central and regional powers than is prescribed in the Constitution, including resources for their implementation as well as the municipal reform overseen by first deputy presidential administration chief Dmitry Kozak. The other is a set of pilot projects to merge regions.

It would appear that the chief goal of Putin's second term will be the continued unitarization and centralization of the country within an "effective state" framework, building on the foundations that have already been laid in these directions. The changes may affect, first and foremost, whether federal districts will be maintained or given greater power, whether regions will merge, whether regional leaders will continue to be elected or will instead come to be appointed, and what exactly the upper house of parliament will be. The only question, perhaps, is the speed of the Kremlin's actions and, consequently, the depth of the changes in each of these areas.

### *Federalism in a Cage: Building Verticals and Horizontals*

The new federal political elite, emerging from a quasi-military structure, sees the increased efficiency of a simplified administrative structure. The measure of uncertainty inherent in democratic elections does not suit this elite, nor do any relationships other than subordination. The priority is on a primitive falling into line instead of a more complex and modern system of government. Thus all sorts of "verticals" are being set up: administrative, law-enforcement, military, party, election-commission, media.

The restoration of the system of horizontal rotation of leaders of governmental and legal organs stands out among the personnel innovations. The new generation of regional police chiefs, unlike the previous one, have made their careers outside of their own regions and thus do not have close ties with local political clans.

Federal financing has also been increased for courts and other judicial organs, helping end their dependence on aid from regional administrations. They now represent the interests of the Center both in word and deed.

As a result of this verticalization, the entire state-political system is becoming more rigid and less able to adapt to changing conditions. Regional diversity is also decreasing, with each province converging to a certain medium; the worst are pulled up but the best are pulled down.

### *The End of Two-Level Representative Democracy*

Discussions of whether to return to appointing regional leaders instead of electing them began even before Putin came to power. The notion gained momentum as Putin's popularity grew—a popular father of the country on a national level makes regional "fathers" redundant.

Governors themselves have sometimes come out in support of the idea, frequently wanting to demonstrate their loyalty to the Kremlin but more often hoping to hold on to power despite the law or the desire of voters. In 2000, a two-term limit for governors was introduced. In 2004, 50 will be in their final term, in 2005 another 67 will be, in 2006 — 75, and in 2007 — 88. This means that interest in rejecting elections and returning to the practice of appointment will grow quickly among regional heads in the future, and appointment means that their already increased dependence on the Center will become absolute, making the independence of the regions they lead ephemeral.

### *Merging Regions*

Another solution to the "third-term problem" is the merger of regions, for which pilot projects have been launched in the Urals and Siberia. In principle, merger might help overcome rigid centralization on the regional level, promote the pluralization

and intensification of political competition within regions, and foster a sort of local critical mass, without which democratic development in less populous regions is difficult.

However, merger disrupts the political, cultural, and other commonalities that have developed in a region and erodes the established social structure.

Some of the less complicated cases, such as the Komi-Permiak Autonomous Region's return to the fold of its native Perm Oblast, are already underway. In the case of Perm, a referendum was held in December 2003, draft legislation outlining the new subject of the federation is expected in March or April 2004, and "Perm Krai" will officially appear in 2005.

As to a whole wave of regional mergers, this now appears more of a threat than a systematic and viable idea, at least beyond a few special cases that are stipulated by the 1993 Constitution. The Kremlin could be pushed to make good on such a threat, however, in the case of a drop in world oil prices which could lead to financial crisis, tensions with regions, and hence the need for the Kremlin to find a way to manage center-region relations more effectively.

#### *The Two Parties of Power*

The 2003 Duma elections were marked by unprecedentedly large participation by governors in the party of power, United Russia, whose federal list was headed by two and regional lists by 30 regional leaders.

The elections amounted to the creation of a new party-political system, much more centralist and unitary than before. United Russia—a new kind of party of power—is its basis. It is consolidated, de-ideologized and has strict party discipline as it turns away from highly recognized politicians in favor of functionaries. It relies on an administrative apparatus and claims hundreds of thousands of members.

An important feature of this new project of the party of power is a restructuring from top to bottom. First the law on political parties established that only federal organizations with branches in no fewer than half the regions of the Federation count officially as "parties." Then, in 2003, the system of electing members to regional parliaments was changed to a "mixed" system, in which half of the

seats are reserved for these federal parties, who compete via party lists.

The most recent Duma elections for all intents and purposes reduced the number of viable federal parties to two—United Russia and the Communist Party. In elections held at the same time for parliaments in seven regions, the firmly centralist United Russia, truly reminiscent of the old Communist Party of the Soviet Union (CPSU), scored a decisive victory. As a result, if the Center is not getting a "controlling share" of seats in the regional parliaments, it is getting a "blocking share," enough to thwart unwanted legislation.

United Russia works like an electoral machine, chiefly for federal elections. Between elections, the key regime creation is broader than the party itself: a new, firmly centralist network organization in the mold of an "internal party." Its creation is taking place at three levels: presidential representatives, inspectors in the regions, and local public reception offices.

On the highest level, there is a relatively small number of people—the presidential representatives personally plus tens of other federal structures with district subdivisions (including United Russia proper). On the middle level, there are the federal inspectors in all regions. On the lowest level, there are the so-called public reception offices being set up in three thousand cities and neighborhoods throughout the country. These offices not only give the Kremlin direct contact with citizens over the heads of regional bosses but also serve as a place to gather and prepare staff reserves on the lowest level. A regional legislator or member of the local administration usually heads these offices, assisted by 30 volunteers and staffers. Local businessmen finance the work of these institutions.

#### *Federal Districts*

Federal districts are a serious and multidimensional project, the bulk of which is hidden from view as with an iceberg. Despite the fact that the federal districts have already fulfilled the main mission that they were originally assigned, the districts are far from a one-time political instrument. For at least four reasons, the districts will be preserved for the foreseeable future. 1. The work done in the federal district framework with personnel at the dis-

trict, regional and lower levels, including regulation, rotation, selection, preparation, must be sustained so as to keep the system in working order. 2. The federal districts have become a universal matrix for spatially organizing multiple federal structures and have acquired enormous inertia. 3. The federal district is the key element of the new, firmly centralized network organization modeled on the CPSU "internal party." 4. The districts have grown into the political system to such an extent that it would be extraordinarily difficult or even impossible to remove them without risking the destruction of the entire system.

The districts are by no means relevant only for Russia's power agencies; they are the base and infrastructure for the whole new political regime. They provide for a homogenization of society, organizing it more strictly on a quasi-military basis that involves subordination, a clear division of responsibility, power verticals, and strict administrative control over business and civil society.

Although Putin's first term has seen the steady dismantling of federalism and although this surely will continue into the near future, it would seem that in the grander scheme of things there is no alternative to the federalist project as the only way to preserve Russia as a unified state. And the centralization that has accompanied both Putin's rise and economic growth might even be seen as a healthy thing—otherwise the country would face growing interregional inequalities and tensions due to uneven growth.

There are more grounds for pessimism than for restrained optimism, however. Unfortunately, there is little doubt that Russia will meet the second decade of the new century as a state that is substantially more unitary and centralist even than it is today. This may take different forms. The number of regions might remain the same as currently, with the exception of a few reunifications of territories that had earlier been united, or Russia might find itself with just 20 to 40 provinces. It might continue with elected governors, but could wind up with appointed ones serving under prefects. One can only hope that the federalism of the 1990s, in many ways wild and chaotic, has nevertheless planted a few shoots that will inevitably bloom in the future. ■