

**Institute of History, Tatarstan Academy of Sciences  
Kazan Institute of Federalism**

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# **Federalism in Russia**

**Edited by Dr. Rafael Khakimov**

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**Federalism in Russia.**

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This book is the result of long-term discussions, which took place at international seminars and conferences in Kazan in the framework of the project «Perspectives of Federalism in Russia: Theoretical and Practical Aspects». Authors of the book are leading Moscow specialists as well as scholars from regions and foreign experts for Russian studies.

The book is recommended for specialists, lecturers, students and general public interested in the state structure of Russia.

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## Foreword

Since 1990, political debate in Russia has focused on questions of federalism and the distribution of power between governmental units. Central aspects of these questions have included whether Russia should have a unitary or federative system; whether ethnically homogeneous regions such as Tatarstan and Chechnya should have special status; whether oblasts and territories will be considered as equal federal subjects; prospects of regional governmental and administrative reform; powers of the central government; the role of ethnic groups in the country's political system; budgetary federalism; and many other issues. In addition, problems have also been engendered by the central government's attempts to examine the constitutional and legal status of the national republics and autonomous districts and to unilaterally revise agreements which have been concluded since 1994 between the central government and constituent parts of the Federation.

Justifying his new round of reforms at the time he launched them, Russian President Vladimir Putin explained that economic reform in Russia had been so far inefficient because the question of the structure of the Russian state had not yet been solved; because of Russia's political instability; and because of discrepancies between regional and federal laws. Thus, President Putin proclaimed that the main objective of the new stage of reforms must be to strengthen the vertical nature of state power. However, in his program statements, Putin also speaks about continuing the processes of democratization and creation of civil society and about adherence to the principles of federalism. It is uncertain, though, whether these goals will be implemented. Departures from the principles of federalism include changes in the method of determining the membership of the Federation Council; the delegation of power to deal with regional governments, to the point of dismissing their governors and disbanding representative institutions, to the President; and the centralization of budget authority. President Putin's recent efforts to strengthen the vertical nature of power have thus aggravated relations between the central government and the regions, making **the prospects of federalism in Russia** uncertain.

In his annual Address to the Russian Federal Assembly, however, President Putin strongly emphasized federalism, noting the principle that: "A really strong state means, among other things, a strong Federation." He borrowed heavily from the concept of distribution of authority between different levels of government articulated by Mintimer Shaymiyev's working group of the State Council of the Russian Federation. In practice, nevertheless, implementing reform of the state structure has been controversial.

Thus, after a decade of reform - as has been the case since the beginning - the prospects for the development of the Russian state are still unclear. It is impossible to exclude any scenario. The country could become a confederation and eventually break up; attempts could be made to restore the empire; or the process of federalization could be continued. There are rationales and political forces that could result in the realization of any of these possibilities in Russia; however, the likelihood of each occurring is far from equal. So far, in spite of the centralizing tendencies mentioned above, the central government has emphasized its fidelity to the concept of federalism. However, it is far from certain that the concept will finally be implemented in practice.

In 1991, the USSR collapsed because it was unable to resolve the problem of state structures. Today, Russia is facing a similar dilemma. Either it will solve this problem and survive as a civilized state, or a similar fate is in store. At the same time, a return to a unitary structure would be comparable in its consequences to self-destruction. No better is a model of federalism which equalizes the status of the constituent parts of the Federation. Thus, the most preferable model for Russia might be a type of asymmetric federalism which takes the country's special features into account.

In Russia's special situation, such notions as democratization and the implementation of a federal system are inextricably intertwined. Thus, any effort to support the implementation of a federal system would simultaneously support the principles of democracy in the structure of the Russian state. The lack of a strategy for the federalization of Russia and attempts to resolve problems that arise in the process of reforming Russian statehood by trial and error will most probably result in new conflicts between the central government and the regions. Russia's future stability will depend directly on positive, well-regulated relations between the regions and the central government which guarantee the rights of all of Russia's nationalities as well as

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on continued efforts aimed at the democratization of the state and the successful implementation of the principles of federalism.

Russia's peculiarities make it impossible to draw any direct parallels with any other federal system in the world. US, Swiss or German models could not be fully transplanted to Russia. The country's historical and political traditions demand that Russia find its own model for an optimal state system. The special aspects of the Russian situation which must be taken into account when deciding on a federal structure include, first of all, the great vastness of Russia's territory; the economic, climatic and geographic diversity of its regions; and the great numbers of indigenous peoples which comprise its multiethnic nature.

This book has been prepared as part of the project "Prospects of Federalism in Russia: Theoretical and Practical Aspects" financed by the John D. and Catherine T. MacArthur Foundation. It is based on seminars and conferences held in Kazan over the course of two years. The book provides several different points of view on the subject of the development of a federal system in Russia and is not aimed at supporting any single viewpoint. This book, rather, presents the reflections of different authors on the prospects for the development of Russia's federal structure.

*Rafael Khakimov*



Chapter I.

**Political and Legal Foundations  
of Russia's Federal System**

Pyotr Fedosov\*

### **Theoretical Aspects of Federation in Russia**

Among many complicated issues related to Russian federalism, some should be regarded as resolved legally but still requiring theoretical explication. However, the political sensitivity of some of these questions is so high that even attempts to raise them in a theoretical context are often considered almost sacrilegious and meet with tough ideological criticism.

#### *On “federative nature” of Russia*

It is common to assert that Russia has a “federative nature.” “Russia historically leans toward federalism,” state R.Abdulatipov and L.Boltenkova. “Debate on the federative nature of Russia was closed by the Constitution of 1993,” conclude the authors of the draft “Concept of State Policies on Sharing of Spheres of Supervision and Authority between Federal, Regional and Municipal Levels of Power.” In legal terms, this is absolutely true, but in terms of theoretical discussion it is hardly certain.

The history of the Russian state gives us absolutely no reason to believe that it has a “federative nature.” Both the Moscow kingdom and the Saint Petersburg Empire were founded not by the unification of territories of equal status but through the voluntary or forceful incorporation of external lands into a preexisting state, with territories so incorporated losing all attributes of statehood in the vast majority of cases. Tsarist Russia was an extremely centralized empire with a highly unified system of governance at the center which nevertheless allowed certain peculiarities of governance on its outskirts (i.e., in Poland, Finland and the Bukhara emirate). Despite the existence of formal characteristics of a federal system such as the presence of quasi-state institutions in the territories, a bicameral parliament with certain representation norms for national republics, et cetera, in practice, the Soviet Union did not act as a federal system. In reality, it was characterized by an extremely high level of concentration of authority and a rigidly hierarchical structure of governance. Elements of real autonomy and originality emerged mainly by local initiative, existed only as

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long as they remained inconspicuous to Moscow, and were periodically denounced as manifestations of “localism.”

Sometimes, the innate federative character of Russia is attributed to its unique geographical vastness. However, world experience does not testify to the fact that a giant state can only develop as a federation. There are many historical instances of the survival of great unitary empires, and there is the modern experience of a huge and unitary China.

Another argument to support the federative nature of Russia is its multiethnic character. Non-Russian peoples account for approximately 15 percent of Russia’s population, about the same as ethnic non-Germans in Germany and ethnic non-French in France. In the peculiar conditions of the post-revolutionary years, when the country was monopolized by an ideology in which the right of peoples for self-determination, including secession, was an indisputable postulate, national quasi-states were created in regions with large non-Russian populations. Creation of such quasi-states is only one of many ways – and certainly not the most efficient one – of resolving the nationalities question and safeguarding the interests of ethnic minorities.

The purely Russian experience does not give a reason to believe that ethnic groups can constructively co-exist under a true federal system. In addition, the fact that a number of national-territorial quasi-states are chronically unable to provide at least the minimally admissible level of subsistence (let alone well-being) for their populations calls not for federative but for paternalistic solutions. What kind of federalism – which is an equal delimitation of responsibilities and duties between levels of power – can be said to exist in regions the budgets of which consist almost completely of subsidies from the federal center? I believe also that the Chechen tragedy must be understood not only as a result of mistakes in the construction of the federal union but additionally as a result of the uncontrolled destruction of the system of rigidly centralized governance.

Thus, the nature of Russia does not feature any traits that **necessarily predetermine** the choice in favor of federalism. **Federalism for Russia is not a fate, but a rational choice** dictated by absolutely realistic factors which include the need to bring power closer to the citizenry in the process of general democratization and the need to rationalize and to internally differentiate systems of management as the systems which are managed become more complicated. **Federalism in Russia cannot come about by any means other than by a series of conscious, strategically balanced and**

**well-organized efforts on the part of state power.** In that sense, federalism in Russia is an opened experiment with no predestined result.

*On the Term “Federation Entities”*

This term is used in the Constitution and repeated in a number of laws, and its meaning is not open to any doubts in the legal sense. But is it that indisputable in the theoretical sphere? It would have been indisputable if the Russian state all the way from the Pacific Ocean to the Baltic Sea were born as a result of some state-building actions taken by the regions – oblasts, territories and republics. In that case the term “entities,” meaning the primacy of regions in relation to the state as a whole, would have been relevant. It was not on the day when the federative treaty was signed that Russia was created but 1,000 or at least 450 years earlier. And the constitution of 1993 was adopted not by the regions but by “the multi-national people of Russia united by a common history on the land of their ancestors.”

*On the Question of Equal Rights of and Different Statuses for Federation Entities*

It is common knowledge that the Constitution, while proclaiming the equal rights of constituent entities, at the same time assigns different statuses to some. If some entities are defined as states within a state but others are not, the leaders of those so defined are pressed towards claims on sovereignty, on being subjects of international law, et cetera.

The question then becomes: What is to be done about this duality of status? The Constitution could be amended, but it would be difficult to do so given the two means available. The first is to propose targeted amendments of Articles 3-8 by special laws which must be passed by a constitutional majority in each of the parliament’s chambers and be ratified by two thirds of Federation entities. Inasmuch as some of the entities which would be required to ratify an amendment would have their Constitutional statuses lowered, it is not likely that the necessary approval could be elicited. The other means of changing the Russian Constitution is through a Constitutional Assembly, which would have to propose an entirely new constitution. There exist today many forces which would favor such a resolution to the contradiction between the principle of equal rights and existing different statuses. But are those forces aware of the fact that the Constitutional Assembly, once convened, might rather destabilize the whole system of gover-

nance than correct the messy situation caused by the Article 3 and other chapters of the Constitution? Moreover, an attempted resolution to the situation through a Constitutional Assembly could conceivably bring about the threat of upsetting the whole constitutional edifice.

There is another, less costly way of resolving the problem. **The problems of equal rights and different statuses should be separated.** Leveling the statuses *de jure* should be postponed until a more auspicious time, while equal rights should be *de facto* practiced now. The federal government should intervene by implementing, among other ideas, those proposed in the “Concept of State Policies on Sharing of Spheres of Supervision and Authority between the Federal, Regional and Municipal Levels of Power” (in my opinion, that is the main pathos of that very professionally drawn up document). This mechanism of federal intervention is more flexible and efficient than its bulky and inefficient counterpart set out in the new edition of the Law on General Principles of Forming the Bodies of Government in Federation Entities.

#### *On the Assessment of the Modern State of Federative Relations*

Very often, alarmist and even catastrophic assessments are made, such as: “Russia is internally dissociated. It is sitting on a powder keg of separatism. Its integrity is under threat.” That is what Professor Fyodorov, Deputy Director of the Institute of Europe of the Russian Academy of Sciences at a recent Russian-German conference on the European and the Russian experiences in federative construction stated, for example. Without questioning the presence of some really alarming trends, I would dare to radically disagree with him.

First, the peak of the erosion of the country’s integrity was passed back in 1998, more specifically at the very moment when, after the August crisis, Yevgeny Primakov’s government and regional leaders proved their willingness and ability to keep the situation under control and to not allow any escalation of separatist sentiments. It was at that time that the restoration of central power and the need to set up a mechanism of federal intervention was first discussed. The initiators of these discussions were Yevgeny Primakov and Yegor Stroyev. Soon after, two exceptionally important laws were passed: the Law On the Means of Sharing Authority Between the Federation and its Entities and the Law on the General Principles of Organization of Bodies of Government in the Federation Entities. Those laws, the purpose of which was to put an end to the extreme nature of covenants and legisla-

tive whimsicality in Federation entities represented an important, though not logical enough, first step. Even the cruel experience of the First Chechen War played its part in preventing the escalation of separatist sentiment in certain Federation entities. Though a shameful war, it nevertheless demonstrated to the entire world Russia's willingness to pay and to demand a formidable price for preserving its integrity.

Secondly, from 1993 until 1999, outstanding achievements were made in the process of the construction of a federal system. Democratic institutes were created in the regions and tested and consolidated through two rounds of elections. The regions mastered the art and the mechanisms of managing economic and social processes. The regions adapted themselves to the market economy, allowing for high growth rates of the regional economies in 2000. Without these occurrences, it is impossible to determine what would have happened in Russia when the central government became impotent and the legitimacy (in the Weberian sense) of the head of state and guarantor of the Constitution was nonexistent. And finally, during that period, ethnically Russian regions became involved in the process of federalization en masse, which provided for a relative "de-ethnization" of the process of bringing about a federal system, hence decreasing its affective and increasing its rational component. Ethnicity, of course, is inextricably linked with affect, with the threat that a conflict of interests, a normal thing in politics, would turn into a perilous conflict of values.

Thirdly, I do not see in present-day events any manifestation of Russia's internal dissociation that could rise to the level of posing a threat to its territorial integrity. On the contrary, the loyal and constructive reaction of the regional leaders to Putin's federal reforms is rather a testimony to the fact that they have been impatiently waiting for any expression of political will by the Kremlin.

### ***On Measures Taken in Recent Months in the Sphere of Federative Construction***

The *Decree on Federal Districts* is a clear and, in my viewpoint, well-justified attempt at removing oversight bodies from the regions, where they invariably find themselves dependent on local authorities. However, it will be a tragedy if attempts are made to turn the President's PolPredy into super-managers who organize the work of all of the governing bodies (federal, regional and local) in the territories under their control. Unfortunately, the

Decree is not very specific in that respect. It seems a positive development that President Putin has repeatedly emphasized recently that such a goal would not be pursued, as it would be innately unrealistic and, therefore, harmful.

The *Creation of a Mechanism to Give a Warning and to Dismiss Regional Governors and Dissolve Legislatures by President's Decision* is a step in the right direction, but it is insufficient. The list of actions that could bring about a warning is very short. It includes the passage of legislation which runs contrary to the federal Constitution and the failure to eliminate discrepancies after appropriate reprimand. But features of the regional governments, which are widespread and extremely detrimental, such as non-professionalism, the inability to organize work, or giving in to crime, are not mentioned. No reaction from the Center is stipulated in those cases. The citizenry will have to wait for up to four years until the next election, which is a huge time-period by modern Russian standards. In the meantime, mechanisms for electoral manipulation are being perfected to such a degree that elections may cease to be a real expression of the citizens' will. On the other hand, the mechanism for taking decisions on impeachment (or dissolution) is too cumbersome – two rulings by “appropriate courts” as set out by law – whereas the real independence of those courts is still in the distant future. I believe that the mechanism of federal intervention should be set out by the Constitution. By the way, the Constitution of prosperous Germany uses not the polite phrase “federal intervention,” but a much tougher and concrete “federal coercion.” Perhaps that is the reason why the German federal government has never made use of it. New amendments to the law on general principles of the activities of governing bodies in the constituent parts of the Federation must be formulated to enlarge the set of actions that could be followed by sanctions from the central government.

The *Council of Federation Reform*: The search for an optimum model for the parliament and its second chamber in particular is in itself nothing unusual in world practice. But this is already the third reform in seven years, and the very frequency of those reforms – coupled with the high speed of their implementation – gives the feeling that an impromptu search by trial and error is taking place, which is a very costly way of running the affairs of the government.

Now, let us say a few words about substantive matters. After President Yeltsin's editing of the Constitution made on the night of November 7-8,

1993, Part 2 of Article 95 holds an insoluble contradiction. Let us think about it: “The Council of Federation includes two representatives from each entity of the Russian Federation...” which means from territorial communities of citizens that are known as Tatarstan, the Tver Region, the Krasnoyarsk Territory, etc. But then we find Yeltsin’s editing: “one representative from the legislative and one from the executive body of state power...” Thus, one of the two representatives is not directly representing the territorial communities of citizens but the bodies of government already formed by them. In his time, V.O.Klyuchevsky wrote about zemstvo assemblies of the 16th century that also comprised local bosses, that “*choice as a special authority for an individual case was not considered an indispensable prerequisite for representation.*” But that was four hundred years ago.

The law on forming the Federation Council of December 5, 1995, was in line with Yeltsin’s formula. In the context of the situation which existed in 1995, it was probably correct to agree to regional representation through top leaders. That allowed the preservation of governing power in the majority of the regions when, between 1996 and 1999, federal power was severely weakened and disorganized.

In the present situation and under the present conditions of strategic consolidation of central power, there is no longer any need for such a mechanism, especially because it involves certain drawbacks, not the least of which is the fact that lawmakers in the upper chamber work temporarily. The law of August 5, 2000, eliminates that weakness but does not resolve the issue related to the level of democracy present in regional representation in the country’s parliament.

A serious and long-term solution to this problem is possible even without amending the Constitution and could take place through altering the existing interpretation of Article 95. The emphasis should be placed on the representation of regions as communities of citizens as it was set out in the draft text prior to Yeltsin’s editing. The citizens of Federation entities should elect Federation Council members – two from each constituent part of the Russian Federation. But the Federation Council should not become another State Duma; otherwise, the second chamber will largely lose its meaning. Even classic political scientists, such as Montesquieu, Bentham, Jefferson, Madison, John Stuart Mill, and Cavour, noted that the second chamber can play its role in controlling the quality of legislation and providing for stability and “regularized development” only if it is protected against the passions

raging in the lower, partisan chamber, whereas the cycle of those passions is dependent on the election cycle.

I hope that the present reform is a transitional stage to a similar turn of events. However, another scenario is also possible: the present reform might become a step from bicameralism to unicameralism. That would be strange. The whole world is moving in the opposite direction: over the last third of the 20th century the number of second chambers – chambers representing regions – has increased from 45 to 67. And this is not a fashion but a reflection of an objective progression towards multidimensional representation of the homo civicus – who is not only a partisan of his or her party but has a great deal of other social roles, with the role of a member of territorial community of citizens being one of the major ones. Why should Russia once again go against the tide, especially if the national experience in parliamentary construction at least from Speransky is invariably bicameral? I believe that under modern Russian conditions a progression from bicameralism to unicameralism is only possible as an integral part of progression from an emerging democracy towards a dictatorship.

The present tide of federalization in Russia is not the first one in this century. The first one swept in 1917-24 when due to certain conjunctural circumstances and ideological dogmas, the state acquired its quasi-covenantal character, and regions with large ethnic minorities in inner Russia acquired the status of quasi-states. This resulted in quasi-federalism – a system which was federal by the letter of the constitution and unitary by the nature of political domination. I can imagine Stalin smiling into his moustache when he was reading in the constitution written by Bukharin about the right of constituent republics for secession from the Union. But when the political foundation of quasi-federalism, i.e. the hegemonic power of the CPSU, collapsed and the CPSU itself fell into oblivion, quasi-federalism brought about destruction of the state. Hence a conclusion: I do not know if the success of federalism is predetermined in modern Russia, but God save us from embarking on the road of quasi-federalism, when federalism resides in the articles of the constitution and the laws as well as in the political and ideological phraseology but is de facto abolished by the law of Presidential decrees.

Sergey Shakhray\*

### **The Problem of the Modern Development of Russian Federalism**

The primary problem of Russian federalism is the fact that people in the street have no understanding of what scientists and politicians are talking about when using the word «federalism.» For ten years, we have been discussing the authority of the center and that of the regions in parliament and in various conciliatory commissions, trying to figure out where more authority should rest and where less. But it all remained unclear for ordinary people, and this lack of clarity has become the biggest problem of Russian federalism. We have to translate everything from the incomprehensible jargon of professional terms, such as «federalism,» «common governance,» «subsidiarity,» et cetera, into the commonly understandable language of kilometers of roads, square meters of new apartments, indices of well-being, new taxes, and new guarantees of democratization.

Federalism in Russia as a system of values and as *weltanschauung* has not taken hold yet. We still retain the worldview of a unitary and rigidly centralized state. That kind of worldview also exists on the grass roots level and, especially, in the heads of bureaucrats. The period of the early nineties, when Russia was transforming from a unitary state into a virtually federative one and the regions were acquiring self-sufficiency and converting it into economic achievements, was perceived by bureaucrats in the federal center as a temporary qualm of weakness. Today, in their opinion, that period is dragging to a close. A powerful, young and energetic president has come to power, and this means it is high time to stop playing «federalism games.»

However, federalism is not a political game for Russia, and even more so, it is not a weakness. It is a territorial carcass for democracy. It is the only guarantee of democratic changes in this country (perhaps coupled with the freedom of mass media). If it took Western civilization hundreds of years to let the values and traditions of democracy grow and develop under «natural conditions,» then in Russia, a special «protective environment» is still needed for nascent democratic institutions. Federalism is just such an environment.

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Unfortunately, today, more and more often, we witness facts showing a lack of good understanding of the special role played by federalism. Moreover, attempts are being made to destroy federative relations. However, even in a non-federative Russia, Tatarstan will retain its special role, its special place, and perhaps a special status. But the other territories and oblasts will find what they seek – judging by the efforts of their governors – and become once again ordinary administrative units of a rigidly centralized unitary state.

The last decade of the Russian history is beginning to look more and more like the period from February 1917 to the end of 1922. At that time, there was an upsurge of research on the topic of federalism. Lenin's position had changed; the 1918 Constitution of the Russian Soviet Federated Socialist Republic was adopted; and real steps towards the adoption of a federal system were made. However, in 1922, when the agreement on formation of the Union of Soviet Socialist Republics was concluded, these efforts came to a halt. The government started a process of rigid centralization, and federalism in actual practice was forgotten until the early 1990s.

Today, in order not to repeat old mistakes, the main problem has to be resolved: to make federalism and its values understandable for ordinary people. If the effort to do so is successful, federalism in Russia will probably survive.

The next problem is the future of the upper chamber of the Russian parliament. The existence of such a chamber and the scope of its authority are two of the main attributes of any federal state. In its present form, the Federation Council has been downgraded to such a degree that representatives of the regions are mainly recruited from among Moscow bureaucrats. The situation has become so far from the ideal that early this year, President Putin even issued a decision requiring the new Federation Council members to go on ten-day excursions to their regions every month to become familiar with the constituent parts of the Federation whose interests they represent in the upper chamber. It is obvious that the Federation Council in its present form will not last for long.

The leftists will most probably, call for direct election of the upper chamber members. The rightists – “Yabloko” and the Union of Right Forces – will support them in that move. The President, perhaps as early as the spring of 2002, will need to propose a bill on direct election of senators. It is quite probable that a decision will be made to elect not two but only one senator from each region. As a result, an eighty-nine-member chamber with a seriously limited authority will come into being.

An essential democratic principle – that it is better to elect Federation Council members than to appoint them – will be completely distorted in modern Russia. Two strong political figures will appear in each constituent part of the Federation, each directly elected by the population: the governor or president of each republic on the one hand, and the senator on the other. There is no doubt that a battle for power and influence will ensue. In the meantime, the ability to govern the regions will be lost for some time. A similar situation occurred during the period from 1993 until 1995, when the population directly elected Federation Council members.

However, another scenario concerning the upper chamber is also possible. In the process of changing the Russian Constitution, an attempt could be made to give the present State Council of the Russian Federation the same constitutional authority as that of the German Bundesrat. In that case, the Federation Council would be dissolved and its place taken by the State Council, a body with limited functions when compared to the present upper chamber.

The third problem is that of Agreements on Dividing the Subjects of Governance and Authority. As everybody knows, these agreements were initially a kind of «a political ambulance.» For example, in 1993, Tatarstan did not support the Constitution of the Russian Federation and did not hold elections to the chambers of the Russian Federation's Federal Assembly. However, after the Agreement on Division of Subjects of Governance and Authority was signed in February 1994, Tatarstan elected two members to the Federation Council and five deputies to the State Duma. To any lawyer, it should be obvious that elections to the national parliament are a very important form of recognition of the sovereignty of the Russian Federation. Such a level of sovereignty is recognized in the Agreement. But the Agreement uses the same model of division of authority as the Federal Constitution. It lists subjects of exclusively federal authority, joint authority and authority reserved to Tatarstan.

Between 1995 and 1997, the agreement became a commonly used tool for the settling of juridical relations between the federal and regional governments by tailoring federal policies and legislation to the special needs of a given entity of the Federation. Forty-two agreements were concluded with 46 subjects of the Federation representing a total of three-quarters of the country's land area.

Not only do the agreements have a historical role to play; they will be useful in the future. These agreements will come in handy in normalizing relations between units of government within so-called «mixed-composi-

tion» entities, those in which a territory or oblast contains autonomous districts. The agreements will stand the Russian Federation in good stead when the entities of the Russian Federation are enlarged and their composition is optimized. And finally, such an agreement will prove a useful tool for juridical resolution of regional conflicts, including the one in Chechnya.

Unfortunately, because the practical role of agreements is not properly understood, they have been downgraded to such a level that their importance is less than even that of ministerial internal regulations, and even courts do not take them into account when rendering decisions.

Nevertheless, an agreement is a normative legal act mentioned in the Section «Fundamentals of Constitutional System» contained in Article 11 of the Constitution of the Russian Federation. Within the system of normative legal acts, the agreement has lower status than the Constitution and constitutional federal laws, but it is on the same level as federal laws at least regarding one issue: the division of subjects of governance and authority. An agreement is a sum of the wills of two governmental units: the Federal Government and the government of the constituent part of the Federation concerned. Because of this legal status, the agreement is an act equal in its status to federal law, which is undoubtedly higher than decrees or regulations.

The federal lawmaker must offer obeisance to the federal Constitution. He is limited by the Constitutional framework and obliged to act in compliance with the Constitution. Part 3, Article 11 of that document reads: «Division of subjects of governance and authority between the bodies of state power of the Russian Federation and the bodies of state power in the entities of the Russian Federation is implemented by the present Constitution and by Federal and other agreements on the division of subjects of governance and authority.» This provision means that there is not a single word in the Russian Federation's Constitution to the effect that federal law must enact the divisions of subjects of governance reflected in agreements between the central government and the constituent parts of the Federation.

As a result, the Constitutional Court of the Russian Federation has had to give a special interpretation to the effect that Articles 11, 72 and 76, considered in relation to each other, allow for a conclusion that the division of subjects of governance and authority can be enacted not only through agreements but also by federal laws (on issues listed in Article 72 of the Russian Constitution). Hence, the agreements and federal laws on division of subjects of governance and authority are on the same legal level.

However, the status of agreements does not mean that their ratification is necessary for their effectiveness, though this is a topic of much current discussion. When signing these agreements, the President of Russia and the leaders of the constituent parts of the Russian Federation were acting within the limits of their constitutional authority. Thus, ratification of agreements is excessive and, in my opinion, improper since engaging in such a procedure would bring about parallels with international treaties, which is undesirable.

Another problem of Russian federalism is that no mechanism exists to divide the subjects of governance and authority. I am deeply disappointed by a viewpoint that is so much popular in Kazan and Ufa that Article 72 of the Constitution on subjects of joint governance should be altogether abrogated and instead of Article 73, a federal «framework» law should be passed containing a tentative list of authorities belonging to the constituent entities of the Russian Federation.

To start writing a federal act with a loose list of the authorities of the constituent parts of the Federation now, when the country seems on the road to a unitary state and to hope at the same time that the federal parliament will pass a good law in line with the constitutional principle of federalism is a gross misjudgement. But that is exactly how many entities of the Russian Federation are thinking and acting now.

A federal law might be useful within the framework of Article 72 of the Constitution of the Russian Federation. It is known to contain only a list of subjects of joint authority of the central government and the regions without giving a detailed description of each side's rights and duties. Thus, a federal law containing a detailed list of such authorities and procedures and guarantees protecting against intervention into an entity's legislative authority by the federal lawmaker as well as against interventions of the entities' lawmakers into the legislative activities of federal parliament would be both useful and in line with Articles 72, 76, and 77 of the Constitution.

Now let me say a few words about the campaign to bring the laws of the Russian Federation entities in line with the Constitution of the Russian Federation.

President Putin was absolutely right in having emphasized the need to have this issue resolved. The only problem is that this substantively correct idea could turn, as has always been the case in Russia, into political campaigning in a kind of a socialist emulation reminiscent of the old days, with bodies of the judiciary competing against one another in «fulfilling the plan

for finding bad laws and bringing them in line with...” Such a position is at odds with any conception of federalism and with any principle for building a federated state. The situation has deteriorated to such a degree that the constitutions of the constituent parts of the Russian Federation are criticized and overridden with reference to current federal laws and other federal-level legislative acts.

Only the Constitutional Court of the Russian Federation can override charters of territories and regions which are at odds with the federal Constitution. Any other approach is unacceptable. And the Constitutional Court of the Russian Federation ruled some time ago that all cases concerning constitutionality are to be resolved not by general-jurisdiction courts but by the Federal Constitutional Court. Nevertheless, the Office of the General Prosecutor decided to bypass this ruling by the Constitutional Court by quite an unusual method. It never speaks about local constitutions being at odds with the federal Constitution but pinpoints federal laws that contradict one another, and, having put together a random list of two or three dozens of articles from a constituent entity’s Constitution, proclaims them to be at odds with those federal laws and proposes that those articles be abrogated. Sometimes, it also brings cases to the supreme courts of Federation entities – that is, to general jurisdiction courts – and demands that articles of regional charters or constitutions that conflict with federal law be pronounced null and void.

However, when a demand is put forward to pronounce null and void 40 or 50 articles of a Federation entity’s constitution, it virtually means its abrogation and the return to the body of law which was in place prior to its adoption. That is to say, what is occurring now is nothing short of a return to our autonomous regions’ constitutions of 1978. Or putting it in a different way, in trying to preserve and strengthen the country’s legal space through ill means, our overzealous bureaucrats are achieving exactly the opposite goal. This is a big mistake.

In my opinion, the lawmakers of Bashkortostan did the right thing by including the whole text of their agreement into their republican constitution as its first section. Without dwelling on the legal aspects of this issue, I have to note that such a solution has two historical parallels in our country. For, example, the Covenant on the Formation of the USSR was included in full into the Constitution of 1924 as its first section, whereas in 1992, the Federative Covenant was included in full into the then-Constitution. These facts, in my opinion, reflect the special role and status of those agreements

Finally, at present, a new structure for the federal government is being put together under the President's directive. Similar work is being done in the Federation entities, as well. For example, Tatarstan now has a unique chance to think about improving its executive branch. Having in mind its territorial size, its population and economic potential, Tatarstan could use the Czech system as a model for reforming its executive branch to come up with a compact government of eight to ten ministries capable of addressing new tasks.

It is obvious that the search for new principles and methods to manage the economy taking place both in the center and in provinces has to be coordinated. Otherwise, it will be impossible not to have the same functions performed twice by different-level ministries and departments which thus interfere in one another's work.

Of the same type are such decisions as moving Sberbank's regional office from Kazan to Nizhny Novgorod and from Ufa to Sverdlovsk, etc. As a result, clients from Tatarstan or Bashkortostan are forced to take their money from Sberbank and deposit it into other banks, either state-owned or commercial but located in their region, thus intruding in federal interests. In any case, improvement of the executive system is a process calling for concerted action by both the center and regions.

Having never been a pessimist, I'm afraid though, that federalism in Russia can pass away without having gotten off the ground. But I would be very glad to see this conclusion proved wrong.

Valery Tishkov\*

## The Pros and Cons of Ethnic Federalism in Russia

### *The Political Sense of the Debate on Federalism*

Federalism as a political principle and as a category of analysis includes a large number of ideological and situational considerations, and this holds true for the entire world discourse on federalism. Certain participants in the debate on federalism are not trying to conceal a strong ideological bias in their positions or are incapable of doing so. For example, «The Federalist. A Political Review,» a journal published in Italy, has the following formula: «The Federalist was founded in 1959 by Mario Albertini together with a group from the European Federalism Movement and is currently published in English and Italian. The review is based on federalist principles, on negation of any exclusive concept of a nation and on a thesis that a supranational era has begun in the history of mankind. The main goal of The Federalist is to serve peace.» Such an overt distancing from the generally accepted civil understanding of a nation, as well as an unquestionable proclamation of an epoch of postnational states, is simply a Eurofederalist slogan. Eurofederalists believe that by virtue of their struggle against domination by modern states and against attempts at exclusive domination by one state, they undoubtedly serve the cause of peace. However, this is far from a universal truth. The movement of European federalists, inclusive of its youth element, has become one of the key factors that has helped weaken federalism in individual countries in favor of a still half-mythical «Europe of Regions.»

The present-day debate on federalism has first of all highlighted the equivocal and contradictory way in which the very subject matter of the debate is understood. Different processes and phenomena are discussed and constituted when the word *federalism* is used: a) a system of state and government; b) interstate ties and different forms of integration on the continental (and, first of all, European) level; c) organizational forms and new institutionalization of culturally differentiated communities and certain other processes. For a social scientist, it might even seem that *modern federalism is, first of all, a process and means of redistribution of power and resources*

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*on the state and interstate levels, a process of resolving contradictions and of protecting interests determined by regional and cultural peculiarities. In other words, federalism is, first of all, debates and negotiations, and only following their conclusion do a text and actions based thereon come about.*

The situation in Russia, by no means exceptional, supports our thesis in many ways. Discussions of federalism have great political and symbolic significance, perhaps even greater than that of the practice of federalism itself, which is either routine or exists regardless of the debate on federalism. But it is that very practice that most often calls for a sound expert assessment.

What is usually found in scholastic debates? One might find a discussion of the types of regional political regimes in an article under the blood-curdling title «From Free Hordes to Khan's Camp.»<sup>1</sup> Or it could be a plan for dismantling an «asymmetrical» federation prepared as a covert crash program, a plan to have nothing but administrative-territorial units without any «ethnic subject states.»<sup>2</sup> And even greater excitement is caused (especially, when one closes his eyes or turns away from the country's map) by such a «problem of federalism» as «furthering Russia's self-determination» in favor of «the state-forming» Russian people through the formation of «a Russian republic»<sup>3</sup> which is still under discussion despite the absurdity of that issue.<sup>4</sup>

A different idea is to try to analyze what I call «the tough realities of life» and to correlate those observations with what is being discussed. That is, not only it is important to discuss the problems of Russian federalism, but also, it is no less important to determine the sense of those debates as well as their forms and participants and their impact on «the tough realities of life.» The discussion of Russian federalism is no less interesting and important for understanding the heart of the matter.

To an extent, such an approach is based not only on the author's theoretical and methodological positions. It was prompted by my old research into Canada's relevant problems, which I performed 1970s and 1980s. I remem-

<sup>1</sup> Afanasyev, Mikhail. *From Free Hordes to Khan's Camp. Pro et Contra, Summer 1998, Vol. 3, No. 3, pp. 5-20.*

<sup>2</sup> Filippov, Vasily. *Ethnic Aspect of Overcoming Systemic Crisis of Russian Federalism, Federalism 2000, No. 4.*

<sup>3</sup> Adbulatipov Ramazan; Yarov, Yury; Boltenkova Lybov. *Federalism in Russian History. Moscow, 1995.*

<sup>4</sup> See article by anonymous author «Unkempt Russia» in «Rodina» journal, and a kind of a counterposition: Yury Knyazev «Does Russia Need a Russian Republic?» - *Federalism, 2000, No.3, pp. 51-62.*

ber very well my 1973 meeting in the Canadian Parliament with Senator Eugene Forsey, a renowned expert on Canadian constitutionalism, who said to me: «Canadian federalism is, above all, debates. So, if you have decided to study the formation of the Canadian Federation you will have to deal with words more than with anything else.» Eugene Forsey turned out to be right not only about the 19th century, which I was studying at that time, but about the modern situation as well.

Vociferous discussions, rallies and scholarly debates on federalism that took place in the 1980s and 1990s as well as political agreements and even some legislative texts and decisions passed, were the main sense of the reform of «federal-provincial relations,» and at the same time, of the problem of Quebec.<sup>5</sup> In the realm of more stable institutions, such as, for example, the Canadian constitution, financial and legal practices, administrative systems, or the system of government, no particular changes had taken place, with the exception of only one case, when the self-governed territory of Nunavut, inhabited by a majority of Inuit (Eskimo) Arctic and sub-Arctic indigenous people and Indians, was excluded from Northwest Territories, a federal-level administrative unit. It was the notional perception of Canadian federalism that was changed along with public opinion and the understanding of the nature of the country's system, rather than the institution of Canadian federalism itself.

It seems that in Russia, there is not such a delicate distinction between *practice* in the philosophical sense of the word and debates about practice, whereas the latter is granted no significance of its own, because Russian social scientists have very well learned Lenin's «theory of reflection» and deeply believe in the mission of knowledge, in foreseeing and, in broad terms, in the «scientific management of society.» In fact, there is a feeling that the Russian dilemma of «federalism of power and power of federalism»<sup>6</sup> both in the previous years and under the new conditions of Putin's presidency, has largely acquired the role of a magnet attracting a vast body of very different and very specific issues unable to be resolved either by global debates or by any global solution.

Today, within the framework of the federalism problem we can see discussions of issues related to the constitution and law, the system of govern-

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<sup>5</sup> See on that: N.B. Bantsekin. *Canadian Federalism*, Moscow, 1993.

<sup>6</sup> «Federalism of Power and Power of Federalism.» *Collection of documents*, edited by M.N. Gubagl. Moscow, 1997.

ment, budget allocations (under an intriguing though arcane term «budget federalism»), representation in bodies of government, ethnic and cultural self-determination, policies relating to minorities, local self-government, migration, geopolitical rivalries, et cetera. In such a situation, undoubtedly overloaded conceptually, federalism appears to be viewed either as the source of all tragedies in Russia or as a magical panacea for all of the problems of the country's development and improvement. In the present work, we have only chosen a single aspect of Russian federalism, namely, its ethnic component. We will discuss how and why «asymmetric federalism» came into existence and exists in Russia now, molded by the country's multiethnic nature and political ethnonationalism, and what the problems and prospects of ethnic federalism are as viewed within the context of international experience.

### ***Thesis of «Neofeudalization» Used by Opponents of Ethnic Federalism***

Prof. Sergey Valentey in his article «Russia's Three Challenges» brands as «pseudofederalist» the model of relations between the center and republics «when in a matter of only a few years the economic basis for **feudalization** of social relations was formed, whereas the nation-state and ethno-political prerequisites for that phenomenon were already formed during the Soviet period. ... Under those conditions it is not social success that determines the right to property and the right to control the revenues from the use of that property but one's ethnic or clan affiliation. A man of genius but not a member of a clan cannot count on any role bigger than that of a servant. If a man is stupid, but he is 'one of us,' all the doors are opened for him. It is that very method of building economic relations that has been implemented in a 'covert, under-the-carpet way' in all the Federation entities. That pseudofederalist practice was implemented within the framework of the notorious process of weakening bilateral agreements.»<sup>7</sup>

How could Valentey see «dependence of property rights on the ethno-cultural and clan affiliation» in all (sic!) the entities of the Russian Federation? The statement is not proved by any arguments except for a «scarecrow» formula of 1:88:1 for the alleged rip-off, where "1" is a Federation entity, "88" another Federation entity and the second "1" the state (the latter term probably means the federal level of government). This position is impossible

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<sup>7</sup> *Sergey Valentey. «Russia's Three Challenges.» - Federalism, 2000, No. 4, p. 23.*

to prove because it is an exercise in pre-conditioned political rhetoric. Before speaking about ethnic federalism, its limitations and prospects, let alone about political strategies or new trends in regional policies discussed in Sergey Valentey's article, let us first of all look at the situation of federalism versus "pseudofederalism."

The regions and territories are ruled by a political elite of a complex ethnic composition, and that complexity has increased dramatically over recent years (in the past, there were hardly as many non-Russian regional leaders as is the case today; however there is no evidence that Rossel is giving out all property to Russian Germans, Tuleev to Kazakhs, Abramovich to Jews and a dozen of governors with Ukrainian names to Ukrainians, and those with Russian names to Russians). It is even difficult to find clans because promotion of one's closest relatives is a rather difficult affair, as it usually causes scandals or at least public censure. So, even by their ethnic origin, regional top leaders cannot be characterized as belonging to any ethnic group, or a clan,<sup>8</sup> to say nothing of the top strata of managers in component units of the Federation. Incidentally, relevant data could be obtained from the Personnel Directorate of the Presidential Administration were a more substantial analysis desired. Though I take an extremely critical attitude towards the competence of Russian managers and have a keen interest in the ethnic factor in politics, I must conclude that **both the federal and regional political elites are not only multiethnic but also are a rather high-quality human resource.** «Men-of-genius» might be scarce, but it also cannot be said that «all the doors are opened to a dumb guy who is one of us.»

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<sup>8</sup> *Within the context of the author's theses on «feudalization,» the notion of clan could only be interpreted as a social institution based on a system of kinship and inheritance ascending to only one ancestor and only through a single parental line. It would be perfectly reasonable to question that statement even in the case of republics including Chechnya, where ethnographers helped construct a myth on teips and other kinds of prehistorical clans. That kind of social organization cannot be found in the Russian Federation, though the use of family relations within the «power-property» system does exist. And especially in «territorial» subjects, the issue of «clannishness» in the provinces and in Moscow and St.Petersburg is no more than a journalistic invective. Clannishness is virtually impossible, first of all, due to the nature of the small-scale «ruling» families, as well as due to the fact that the majority of political and business elites are newcomers with no deep roots, as well as due to a lack of nepotism in the majority of the regions of the former USSR (nepotism was, in fact, present only in the constituent republics of Central Asia and in Azerbaijan); due to the presence of some moral and ethical norms among the ruling class, no matter how weak those could be; and finally, due to the presence of public control. None of those factors should be overlooked in the heat of castigations aimed at «neofeudalism.»*

To what extent is power organized on principles of ethnicity and clan also supplemented by an access to property? This question is far from simple, and attempts to answer it by way of superficial statements do not produce anything but political irritation. Relationships between power, the right to property and the right to control revenues are far more complicated; otherwise, such basic social collisions as political rivalry, the charge of organized crime into power, mergers of business with power and the isolation of business from power will not come about. **On the regional level in Russia, there are even more successful business projects and personal fortunes that have been made without any help from power but which were made only because of individual talent and success in society.** Rather, it was on the federal level that the power and privatization have been more closely related. On that level, everything was done on a larger scale and in a more resolute, fearless and ruthless manner because not only the rules but also an understanding of how to circumvent them were set there. In any case, however, the thesis of «neofeudalization» of property should be applied more carefully.

Even less appropriate is the thesis of ethnoclannish neofeudalism for autonomous districts where everything is run by newcomers or natives not of the titular nationality of the district but never by those in behalf of whom autonomous districts were set up. If Governor Abramovich's seat in the State Duma goes to a Muscovite, then it would be even more erroneous to speak about representation of Chukchis on the federal level, while the Chukchi District, as everyone knows, is no longer a part of the Magadan Region. If we can speak about certain ethnic parameters of the government and business strata in the autonomous districts, we can also speak about a traditional Russian-Ukrainian-Azeri domination among the elites in the regions with oil and gas industries and the corresponding «directorates» of those industries (a kind of Soviet «clan» based on informal communities of alumni of corresponding institutes and on business ties with the largest factories that use those resources). In recent years, new young tycoons from Moscow and from abroad and their young managers became involved in the «neofeudalization» of property and revenues. Some of them were even able to get hold of power (but not vice versa!), as was the case in Taymyr and the Chukchi District. It is very difficult to identify Ethnic components in such locations. Had Governor Abramovich made his entourage all-Jewish and the newly-elected Governor of Taymyr sacked all the non-Russian managers and advisors who used to work for Nedelin, that situation could then have been analyzed from the viewpoint of ethnic representation.

As for the reform of autonomous districts in the Federation, here we still are of the opinion that if the superficially prestigious (several times the size of France!) territorial form of self-determination is transformed into a smokescreen on the newly-opened market of natural resources and on the market of democratic procedures of government, then there is a point in replacing autonomous districts with actually self-governed specially allocated protected areas predominantly populated by small ethnic groups which include the territories of their traditional economies.

The thesis of «feudalization of public relations» is, in fact, limited to 21 republics, and S.Valentey's and other authors' criticism is only aimed at that sector of Russian federalism. We have already written about the existence of differing assessments of the Soviet heritage in ethnic autonomous districts and about hasty decisions taken in early 1990s to set up a number of new republics titularly linked to ethnic minorities and with the independent status of federal unit-states. Another mistake, in our opinion, was the exclusion of autonomous districts from territories and regions. However, we never have taken a position that it was necessary to dismantle ethno-territorial autonomous regions. Back in September 1992, as Chairman of the State Committee for Nationalities, I said «national and cultural autonomy is a most important form of national self-determination for the peoples of the Russian Federation and must take place not instead of national-state units but along with them.»<sup>9</sup>

### ***On Assessment of «Tough Realities» in Republics***

So, are there any phenomena of feudalization, or at least of ethnocratic rule and preferences for «title» ethnogroups in the granting of access to resources, revenues and other benefits, as for example from privatization, as claimed by S.Valentey? Here, we have to agree; the answer is yes. And very often, those phenomena take place in unbearable ways that call for an immediate end to be put to them. But, first of all, in order not to scare the whole country – including the leaders and general public in all the republics – we must mention that there are different ethnopolitical and economic situations as well as different leadership styles in Russian republics. This allows for a non-uniform approach to that issue which includes the problems of status and of reforming relations with the federal level of power.

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<sup>9</sup> V.A.Tishkov. *Strategy and Mechanism of Nationalities Policies. Nationalities Policies in the Russian Federation. Moscow, 1993, p. 36.*

In a number of republics (Altai, Buryatia, Karelia, Komi, Mari-El, Mordovia, Udmurtia, Khakassia), because of various historical, demographic, social, ethnocultural and even religious reasons, representatives of the «indigenous» nationality can by no means be regarded as the ruling class, regardless of whether they are a clear minority, as in Karelia, Komi or Udmurtia, or the biggest of all the ethnic groups or even a majority of the population, as in Buryatia, Mordovia or Khakassia. The leadership in those republics, as well as the governing bodies, including the elected ones, are not monoethnic and are not based on the principle of ethnic selectivity. In Buryatia, an ethnic Russian is doing a good job as president, despite attempts by radical nationalists «to correct the injustice.»

Apart from that, because members of the “indigenous” nationality reside disproportionately in rural areas, they are inadequately represented as, for example, in Udmurtia or the Republic of Altai. So the situation must not be overgeneralized, and such constituent elements of the Federation where nothing of the kind ever occurs should not be branded as protected areas of ethnic and clan «feudalization.» It is all the more true that with every new generation of politicians or under the impact of interethnic political crises a more just distribution of power and a more considerate attitude towards this factor in the public life can be seen.

The group of North Caucasus republics, Bashkiria, and, to an extent, Kalmykia, Tatarstan, Tuva, Chuvashia and Yakutia, where pseudofederalism has in fact, acquired some features of «ethnoclannish regimes» must be discussed. I largely agree with Vasily Filippov who, in the same issue of the journal «Federalism,» presented a tough analysis of the political logic and factors that have resulted in such a situation over the last decade. The author justly names among the reasons behind the existing situation not only the role of local ethnonationalisms and the constitutional and legal opportunities for selfishly ethnic forms of self-determination created in the country but also the role of Boris Yeltsin, who as the then-president was steering a course at «appeasing» the ethnic periphery through last-minute political decisions and «personal relations» with republican leaders while turning a blind eye to worrisome trends.<sup>10</sup>

But again, even the republics giving headaches to the central government and causing concern among the wide political spectrum in the country, let

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<sup>10</sup> *Filippov Vasily. Ethnical Aspect in Overcoming the Systemic Crisis of Russian Federalism // «Federalism», 2000, No. 4.*

alone in the everyday feelings of many citizens, cannot be regarded as the predominant ethnic landscape either politically or socially. There exist many different situations, and there exist different political styles and different problems that do not fit within the formula of *totally corrupt ethnocracy*. It goes without saying that the sphere of distribution of property and revenues is also very different. And again, not everywhere are ethnically alien «men-of-genius» outcasts and dumb «cronies» wealthy, honorable and powerful.

In Chuvashia, the Russian-Chuvashi ethno-cultural symbiosis is so great – while the supreme leadership is so undoubtedly competent and sufficiently democratic – that it would be wrong to analyze the situation along the lines of ethnic division. It would make more sense to try to understand first of all who is «Chuvash» and who is «Russian» in Chuvashia, and it would be an even better idea not to stage such kind of research at all for the sake of preserving civil peace and the population's general loyalty to their republic. This is to say nothing of the absurdity of any search for separatist elements within the Chuvashi political spectrum. Were the situation the same in other republics, there would have been no special problems at all related to strengthening statehood and reforming the federal system. We would have been speaking of improving the government and the social and economic situation there, as those would be the only problems facing the republic. We have no data to support any ethnic preferences, or «clannish» principles in the distribution of property or power in that republic.

Examining Kalmykia, Tuva or Yakutia, the fact that the «indigenous» peoples took power there must be taken into account. Even prior to their assumption of power, however, they were undoubtedly dominant in the cultural, education and information spheres in their regions, and this is from whence the new political elite was recruited. In the past, there were no powerful economic and industrial elites in the first two republics, and they are still non-existent now. Why those in charge of the diamond and gold industry did not bother to get any representation in the government in Yakutia is another question. But it would be wrong to say that not only power, but also property as a result of that power, wound up in the hands of Yakuts. The ethnicities of those in power and business niches in Yakutia do not correspond to the ethnic origins of the majority of residents with the exception of the president and a very few managers of Yakuti origin. Russians, Ukrainians, Jews, Armenians and Ingushis are no less successful in doing business in that republic, and in some cases, they control whole industries (for example, Armenians in the construction business).

People in Tuva and Kalmykia have not yet learned to make fortunes, while President Ilyumzhinov's money was made in Moscow before he became President. Incidentally, Ilyumzhinov's political style deserves a lot of attention for its extravagant but quite sincere cosmopolitanism. An outspoken nationalist can rise to the top there only under some very special situation, such as if Ilyumzhinov becomes hated not only by «Yabloko» but also by the Kremlin administration together with the local population while they get tired of waiting for a miraculous «republic-corporation» to appear. In both Kalmykia and Tuva there is a need for resolving many problems in the field of state construction and effective management, but that need has nothing to do with the dilemma of whether either is a «sovereign republic» or an «administrative territory» within a federation.

As for Yakutia, when I visited the republic some time ago and talked with President Nikolayev, I had hoped to see another republic in which the population was in obvious need of a breakthrough in improving the life of its small population and which also had an equally obvious potential for such a breakthrough given all its immeasurable natural riches. Unfortunately, however, that has not yet occurred. At the same time, people in the oil and gas provinces of Alberta and Saskatchewan live much better lives than those in the three Maritime Provinces of Canada. Such things do not happen in Russia and are clearly not envisaged by the new reforms of Russian federalism. Given the fact that Yakutian nationalism has largely subsided, this huge part of the country needs anything but «enlargement» and additional «vertical» submission.

Tatarstan has a very peculiar situation. This republic has always been and still is a leader of the ethnonational formula of statehood, and its ruling elite is the most enlightened and competent, among other things, in problems of modern federalism. In the early 1990s, the republic was an initiator of a rather dangerous national crisis within the Russian Federation that took place after the breakup of the Soviet Union. Tatar nationalism in its tough political form forced the federal government to embark on a path of reaching agreements both inside and outside of the process of working out new the principles of federalism which would be embodied in the new constitution. It seems to me that the situation was teetering on the precipice of open conflict at that time. Still, there are no serious guarantees against the reoccurrence of such a crisis, at least until the formula enshrined in the Constitution of the Republic of Tatarstan of a republic «associated with the Russian Federation» has been changed.

Throughout this period of time, the situation has been saved from breaking into open conflict only by the predisposition of both federal and republican governments to negotiate; the fact that President Mintimer Shaymiyev has ruled responsibly; the positive evolution of the Tatarstan elite away from radical nationalism; and a shrinking role of radical Tatar activists as well as certain other positive factors. But it was in Tatarstan that the complexities and limitations of the ethnic principle for the organization of a federative system became apparent, openly and covertly causing both resentment and enthusiasm on the part of those who would like to radically reshape Russian federalism. However, in the bicomunal (Tatar-Russian) society, one of the two communities – local Russians – is virtually losing its positions of power in the cultural and information sectors as well as in private business. The Russian presence in the Republic is still very strong, due in no small degree to Russian-speaking Tatars and the impact of the Moscow-based media. The Russians in Tatarstan maintain their hold on the leading positions in large Moscow-controlled industries such as defense, automobiles, et cetera, as well as in certain other spheres such as natural science, university education, and mid-level management.

There are obvious disparities in Tatarstan that came into existence under post-Soviet federalism. But a distinction must be drawn between cases of just correction of former Soviet discrimination against Tatars (we should not forget the fact that only 15 years ago there was only one Tatar school in Kazan!) and cases where the «correction of injustices» resulted in new injustices in a utopian desire «to reconcile the past.» But once again, we think it is Tatarstan that has the biggest capacity to correct problems in ethnic federalism, and it would be improper to completely do away with it as some anomaly of the Soviet heritage.

A special analysis should be given to the situation in Bashkortostan, which is unlike that in any other Russian republic. The republic is often offered as an example of ethnocratic rule, since the Bashkiri ethnic minority controls power, having radically pushed aside Russians and Tatars, who constitute larger portions of the population of Bashkortostan. Apart from that, the local constitution and certain laws contain discriminatory measures based on the principle of ethnic affiliation. It is impossible not to mention the existing tough regime of political and ideological control by the republican bodies of government over personnel policies, election procedures and the mass media.

But again, what is the relevance of the «to be or not to be» debate about the existence of the Republic of Bashkortostan to these questions? The republic has been autonomous for many decades, and the very fact of its existence has played a tremendous part in preserving the culture and integrity of Bashkirs as an ethnic group (a similar part was played by other autonomous districts in the lives of other non-Russian peoples in Russia). Though we should have a full understanding of complete unacceptability of the extreme forms of Bashkir nationalism, we should nonetheless pay tribute to the present leadership of the republic for performing the main functions of state power perhaps even more successfully than in many other Federation entities. They have maintained social order and provided decent social conditions for their population. The leadership does not reject negotiations with the central government; thus, the «problem of federalism» in Bashkiria is one of improvement of the existing government, and not a radical transformation of its status or of the country's constitutional foundations. Again, federalism is a process; it is a clash of positions and arguments, a search for compromise and least of all a legal, let alone forceful, coercion. A time will come when even the most radical nationalists will understand that Russian citizens would be better off without ethnic-affiliation entries in their passports. The time will come when Russian and Tatar voters will outvote the Bashkirian minority and elect a no less decent president who will not necessarily be an ethnic Bashkir, thus setting an extremely useful example for other republics. Buryatia will no longer have the feeling of being a kind of anomaly.

We will not try to analyze the problems of federalism in the North Caucasus. It is a very diverse region, and many differing suggestions have been proposed for solving the region's problems. We have already made such an analysis in a special report that met with quite a positive response in that region.<sup>11</sup>

### *Ethnic Federalism within the World Context*

Our studies of multiethnic communities in recent years provide little ground for unbridled optimism. Too much blood has been shed, and too much devastation has resulted from conflicting ethnicities and from ethnically colored conflicts. In Russia, the first places to witness such open con-

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<sup>11</sup> See: *Paths of Peace in the North Caucasus. Independent Expert Report* edited by V.A. Tishkov, Moscow, 1999.

flicts were North Ossetia and Chechnya, while tensions ran high in Dagestan and Karachaevo-Cherkessia. Elsewhere, however, culturally different peoples live together and cooperate in building up a rich and mutually beneficial dialogue and in creating relatively viable states.

It is the latter achievement, managing multiethnicity within a single state, which is a key feature of global evolution. States have been and will continue to be the most powerful forms of human collectives. Thus, that which is beneficial for powerful (i.e. viable and efficient) states gives us strong hope for the future. «Strong States – Strong Hopes» was the title of a report summing up the results of a seminar conducted by the famous Aspen Institute in the United States,<sup>12</sup> despite the fact that Americans are keen on initiating debates on «quasi-states,» «disintegrating states,» «superstatehood» and «world government.»

It is true that states are far from being universally ideal. States are inclined to rivalries against one another, directly, in coalitions, or through third parties (other states, media empires, expert communities, industrial and financial circles, or international organizations). Those third parties very often not only take and fulfill the orders or others but also have their own positions, interests and rivalries. As an example, we can cite our ethnographic observations of our Western colleagues participating in seminars and meetings organized in Kazan by Dr. Rafael Hakimov. I cannot think of any case in which any of our Western colleagues would ever take a position complimentary of Moscow and critical of Kazan when discussion was focused on the relations between the forces and institutions which these capitals symbolize. After a seminar in 1999, our discussion with Mary Mendras and Gail Lapidus continued even well after the conference ended, and even on the train back to Moscow, my two esteemed colleagues were strongly defending a 10-year residence qualification for obtaining Tatar citizenship.

I do not think that all political experts and politicians in Tatarstan are outstanding scholars on ethnicity and statehood, and neither do I consider all Moscow's views, positions and decisions ill-grounded or false, so there is only one conclusion I can come to: that the inertia of large-scale confrontations and the Huntingtonian itching that in history one big battle must be followed by another one have perfectly survived even such ordeals as the fall of the Berlin wall and the breakup of the USSR. Different forces are recruited to play the part of vanguard warriors, including the «proud savag-

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<sup>12</sup> *Strong States - Strong Hopes. Report of the Aspen Seminar, Boulder, Colorado, 1997.*

es» that Chechens have been turned into, supporters of any radical political projects that question the status quo or even the system as a whole. However, it seems to me that an insistent dialogue and search with an understandable allowance for political correctness and ideological engagement can yield a good result, although the problem we have chosen for discussion – the construction and management of an ethnically complex society – is one of the most complicated issues in the world of social science.

Political and constitutional design are key issues, since, as one of the leading experts on federalism noted, «federations are neither formed nor destroyed by constitutions.» They are a reflection of the existing institutional and sociocultural problems of the given political community.

### *The Heart of the Problem*

First of all, what is federalism as a constitutional organization? Federalism can be interpreted as a particular structural form of a state which is reflected by a more or less clear legal concept, the essence of which is quite simple: a federal government, which is the dominant political institution exists. This forms territorial federalism. But federalism can be also interpreted as a form of political organization uniting individual polities (states, provinces, republics or districts) within the framework of a wider system. No matter how different the concepts are, they both refer to a constitutionally established balance of powers between self-governance and divided governance being embedded in the very federal system. That very balance of powers makes federalism an institutional buttress of the vertical division of power to provide for joint control, especially over the different levels of government and over the political system as a whole.

Since *federalism is a means against the majority*, then in terms of federal policies, it calls for agreements and partnerships to be organized as a political buttress for a non-centralized (not be mixed with «decentralized!») state. There is no limit of classical works to that effect.<sup>13</sup>

What is ethnic federalism? It is far from being the whole federal system existing in multiethnic communities and only consists of those elements of federalism aimed at providing for and managing the multiethnic diversity of the given territory or in a multiethnic country as a whole.

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<sup>13</sup> See for example: Elazar, Daniel J. *American Federalism. A View from the States*. New York: Harper & Row, 1984.

What blends together federalism and multiethnicity is not the mere fact that federalism from the moment it came into being was very often related with interethnic and intercommunity tensions and helped to regulate conflict. Both federalism and multiculturalism (or multiethnicity) by their innate essence question the universal claims of the modern state to be built on the idea and principle of unity and unification. Both of these principles are a constant challenge to a libertarian understanding of democracy, which is majoritarian by its nature. It is interesting that federalism, unlike liberalism, has never been able to put forward an ideology that would be integral and uniform to any degree. If liberalism is unitary, federalism is an amalgamation of doctrines, convictions, and approaches reflecting the paradoxes, vagueness and tensions of modern politics.<sup>14</sup>

The modern state came into being as universality over particularity, since it was and still is a territorially delimited and territorially defined polity. Universality and particularity are reconciled through the principle of citizenship. But on the other hand, that reconciliation can only take place under the initial condition that there exists a certain homogeneity of citizens who share the basic democratic consensus. The basis for individual identification with a civil, political or national community has been interpreted in various ways (there are both ethnic and political concepts of a nation), but a principle of homogeneity has almost always been an element of that interpretation;<sup>15</sup> hence, the inherent contradiction of the modern state with a pluralistic society, which is always a conglomerate of identities. This is why, in Western democracies, both federalism and multiculturalism have existed and been recognized as permanent challenges to the basic foundations of modern statehood. In the transitional countries of Eastern Europe, the multiethnic population, though reflected in institutions of federalism, is considered an imminent hurdle on the way to a modern democratic state.

My question therefore, is as follows: Can ethnic federalism work against the creation of a modern state, or it can play the role of a key instrument in maintaining the balance between unity and diversity? Can federalism provide conditions and institutions that would not only preserve diversity as a tool for reaching agreement and resolving conflicts but would also create loyalty to the common state?

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<sup>14</sup> Smith G. (ed). *Federalism: The Multiethnic Challenge*. Longman, London, 1995, p.4-5.

<sup>15</sup> See: Liah Greenfeld. *Nationalism. Five Roads to Modernity*. Cambridge, 1992.

### *Federalism and Democracy*

The principles of federalism and democracy are both of a constitutional character (or nature), and both are principles of government control. However, the two concepts have differing value orientations (i.e., equality and diversity). Democracy is innately devoted to the equal representation of all individuals, which, according to Canadian federalism scholar Charles Taylor, is procedurally «hostile to differences.»<sup>16</sup> Liberalism assumes homogeneity rather than differences in the sphere of state construction, and it is thus structurally incapable of meeting the demands of multiculturalism, which is based on values of diversity and collective law. Liberal democratic values protect diversity only when it is based on universal, and not on particular, principles.

The modern interpretation questions the old slogan of «freedom, equality and brotherhood,» suggesting an alternative formula of «security, diversity and solidarity.» This formula is not exactly a new one, but if we take a careful look at European – though not American – federalism, we find an innate attention to the values of community and community policies. Cantonal identity and democratic integration are in the foundation of Swiss federalism, and it is those principles that help preserve linguistic and religious diversity as well as decentralized cantonal and community loyalty. In the Swiss system of federalism, the component of unification is extremely weak. Federalism here is not a correction and addition to the fundamental structure of national government but rather a structural principle of democracy based on agreement. In this context, democracy is included as an element in the federal structure, and not vice versa, to defend the interests of structured minority groups within a multicultural society. It is not a Madisonian *democratic federation* but a *federalized democracy*. Federalism and democracy are inextricably intertwined.<sup>17</sup>

As a result, there are three potential strategies at present: a democratically civil strategy without or against ethnicity on the US or French models; a democratically civil strategy with only one ethnicity on the German model; or a civil strategy through democratically integrated ethnicities on the Swiss model, which unites the two given above.

<sup>16</sup> Ch. Taylor. *The Politics of Recognition/Multiculturalism*. Ed. by A. Gutman. Princeton, 1998, p. 61.

<sup>17</sup> Basta Fleiner, Lidija. *Minority and Legitimacy of a Federal State in: Basta Fleiner & Fleiner. Thomas, eds. Federalism and Multiethnic States. The Case of Switzerland. Fribourg, 2000, p. 95.*

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**How to Preserve Ethnical and Political Pluralism under Federalism**  
**Four types of situations can come to exist when federalism is faced by an ethnic challenge:**

a) the federation can exist in a state of chronic crisis, as in Canada, Belgium, India and Nigeria;

b) the federation can dissolve, as in the former communist federations of Eastern Europe;

c) multiethnic communities can come into being which incorporate elements of federalist principles as in the European Union;

d) a problem-free federation, as in Switzerland, can come into being.

This is a conventional breakdown, but we need it to examine correlations between different types of federal structures and the problem of inter-ethnic tensions and conflicts. The main contradiction is a different basis used by the two systems for identification: the state exists on a territorial basis, and ethnic communities exist on a cultural basis. The two systems do not coincide and hence are difficult to reconcile through the usual strategy of individual human rights. This means that the model in which basic individual civil rights are *supplemented* by collective rights is more viable. And one of the time-tested methods of implementing this model is the model of ethnic federalism. It might be not the most ideal variant, but it is one which may be best suited for the case of the Russian Federation under the conditions dictated by its history and its concrete political situation.

Shigeki Hakamada\*

### **Political Reform and the Possibility of Federalism in Russia**

The collapse of the Soviet Union and the emergence of democratic power brought about euphoria in both Russia and the West. The reason was obvious: the communist dictatorship had come to an end. At long last, Russia had acquired a free democratic society, and human rights began to be defended. The Japanese also supported democratization and the emerging market system in Russia, but they were not as euphoric as their Western counterparts. There are two reasons for that.

The first reason is as follows: in Japan, attitudes toward democracy, human rights, the notion of “freedom” and the market economy is somewhat different from that in America, Russia or Europe. For both Americans and Russians, such concepts as “democracy” and “human rights” are not just political terms. The concept “free economic system” is not only economic. It contains a certain religious element, and for the Russian social mentality, it is an absolute value and not just a pragmatic political instrument. In the Russian case, it is loaded with the influence of Christian and European traditions. The notions of “democracy” and “human rights” are substitutes for religion. In Japan, there is nothing of the kind, and, departing from the sober pragmatic approach, the concepts in question are recognized as values common to all mankind.

The second reason is that the comparison of the Japanese and Russian societies highlights a qualitative difference. This difference is much more profound than the difference between the Russian society and the European or American societies. The European society can be called “the society made of stone or brick” because of its prevailing individualism. Each person or individual is like a stone or a brick which can be used for building a stable structure. Individualism must not be confused with egoism because it contains a social element. Thus, the result is a stable civil society.

Japanese society can be called “the society made of clay.” Why? It is not that individualism is not developed in Japan but that it is not self-sufficing. It is slightly different from that found in Europe. In Japan, if someone overemphasizes his or her “ego” and wants to stand out for being original, that person is considered an ill-mannered provincial.

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In America, persons who do not express their opinions are ignored. One is always expected to say, "I don't agree;" in other words, "I have my own opinion." In Japan, it is customary to say, "I completely agree with you, but I would like to add something," though that additional "something" can totally refute the other speaker's opinion. This is Japanese rhetoric. In Japan, individualism is not outwardly evident. The Japanese society is the society of clay, which can be used to shape whatever you like into ceramics. But at the same time, ceramics can be harder than stone or brick.

Japan does not have the western tradition of individualism, and it lacks the western type tradition of civil society. But it has the tradition of discipline, the tradition of order. The Japanese society is founded on a sense of discipline, and that is the reason why the country fares well both in economic and social spheres without an iron hand. This is a distinctive Japanese feature.

Taking the analogy a step further, the Russian society can be called "the society made of sand." The element of individualism is greater here than in Japan, but it is dissimilar from that in Europe or America. It is egoism rather than individualism. Everyone pursues his own interest, but social order cannot be achieved. That is why I call it the "society of sand." And what form can sand be shaped into? To shape a society of sand, the form must be imposed from the outside. In the pre-revolutionary Russia, the form was imposed by the Tsarist system; after the revolution, the communist system. But even if the form is available, no stability can be achieved. Sand is sand, and cement is needed. Formerly, Orthodox religion played the role of cement; later, communist ideology, and nowadays the trouble is that the frame has been demolished, and cement has no effect. Everything is going to ruin in front of our eyes. It is very difficult to gain stability in such a society without authoritarianism. I would not say that authoritarianism is a necessity, but an element of authoritarianism is indispensable.

Unlike Europe and America, Japan foresaw the hardships Russia would face as it attempted to create a democratic system and a market economy. It could be clearly seen from the Japanese perspective that the element of discipline in Russia is very weak. There is no self-discipline, independence or order, the most important elements for civil society, a free market economy and a democratic system. It can be seen particularly clearly from Japan, because the contrast between Japan and Russia is much greater than the difference between Russia and Europe. For that reason, the Japanese anti-

pated Russia's coming difficulties and did not lapse into euphoria about the future development of Russia. Yeltsin was quite frank to say: "We were too naive; we thought we would instantly build a civilized democratic society, but that proved to be more difficult than we had expected".

Therefore, the crisis of August 17<sup>th</sup>, 1998, was a great shock for the Europeans, Americans, and Russians. It was also a shock for the Japanese, but not to such an extent, because it had been clear in advance that things were going in that direction.

Is it possible to build a federal system in a society made of sand? Is it possible to build a stable democratic system in a society made of sand?

By definition, federalism is the negation of a strong centralized state. It is territorial democracy. And I think that in the "society built of sand," it is wrong to idealize and romanticize federalism. It is even dangerous, because talk of democratization, freedom or decentralization in the "society of sand" can end at the point where Russia has arrived. In simplified terms, after the collapse of the Soviet Union, a certain primitive condition of society emerged, and the state practically ceased to exist. It is formally there, but in practice, it is nonexistent because the laws are not functioning.

It is obvious that a state system has to be built, and that is exactly President Putin's task. It is not incidental that he speaks about the need for strong power and a dictatorship of laws. Any Russian leader would inevitably be faced with this task. At present, Mr. Putin's government seeks to create a vertical system of power. To that end, the system of federal areas has been established, and the president's *PolPredy* have been appointed. Thusly, the central government intends to re-instate the former functions of the federal bodies in the provinces. One of the major goals of Putin's political reform is to establish an indivisible legal space and a single political system in the country. But considering that the relations between the center and the regions take different shapes depending on the balance of power between the central government and regional leaders, it is rather difficult to create a single form of state structure. Today, the correlation of local and federal taxes is increasing in favor of the central government. Thus, the central government is re-establishing control and influence in the budgetary and economic spheres in many regions.

In this connection another question arises: how to combine democracy and federalism with a strong state. This is definitely the principal and most complicated question, and to some extent, it is a paradoxical one. A Russian form of democracy and federalism must be found. There is no democracy in general and no federalism at large. Japan has its own democracy in a very

specific form, and a specific Russian form of democracy and federalism must be found for Russia without fail. Of course, it is difficult to say now what concrete “Russian form” democracy can take, but it must contain an element of authoritarianism, at least for a certain period. Though also wrought with danger, this authoritarianism is inevitable.

In his article “Russia at the Threshold of the Millennium,” Putin writes that Russians used to be too naive and that he sees the principal reason for difficulties in the heritage of socialism. He believes that the essence of the problems in Russia and other socialist countries is the same, and the difference is only quantitative. But this is again a very naive mistake. It is naive because it does not recognize the special nature of Russian society. Russian society is the “society of sand,” and in this, it is very different from Europe. This must certainly be acknowledged. But Putin does not see the difference between Russia and the European countries, and this is an economic mistake. That is why there is nothing systemic in the Russian economy. There are elements of a market economy, but there are also very different extremes.

Federalism can take various forms. Theoretically, one can single out the Soviet type of federalism, which in fact is the negation of federalism. The second type is the federalism of the Yeltsin period, which can be considered pseudo-federalism. In fact, fragmentation and disintegration of the country was taking place at that time. During the Yeltsin period, the federal bodies in the provinces were in a neglected state and experienced powerful influences from local leaders. In consequence, the central government lost control and power in the regions. The third type is American, Swiss or German federalism. The fourth one is a mixed type. In Russia the only possible form of federalism is of this mixed type. There are certain entities where power is stable. Powerful regional leaders retain relative independence. The center can have contractual relations with them. This is something that resembles federative relations. But in many regions of Russia, such as Primorskii Krai, there is no stability. In such cases, the central government must be tough in exercising power over the regions. Relying on legal and military bodies, President Putin successfully pursues his policy of limiting the power of local leaders. Putin uses a selective approach: he implements a policy of compromises with powerful and moderate leaders and carries out a policy of force and pressure with weak and “disobedient” ones. So far, overall, the President has been trying to avoid confrontation with regional leaders and has been compromising wherever possible. Thus, he strives to strengthen presidential power and stabilize the situation in the country.

For the time being, there can only be a mixed type of federalism in Russia. As compared with the Yeltsin period, indeed, the central government is strengthening its control over the regions and is therefore establishing order in the country. But this is happening mostly at the cost of using the military. The democratic discipline and order characteristic of a civil society are still nonexistent.

A question arises: how stable is this combination? Can it survive? At present, the constituent elements of the Russian Federation are differ in status and condition. Nevertheless, the Constitution states that all constituent elements be equal in their rights. In fact, the mixed type of federalism disclaims such equality. That is why it can only be transitional.

It is not expedient to try and build an American, Swiss or German type of federalism in Russia, as conditions are not suitable. Russian society is qualitatively different, and its federalism must contain specific features.

In Japan we have a saying: "He who only says sweet words is not a true friend. A true friend is he who says bitter words if necessary." I consider myself Russia's true friend.

Alexander Blankenagel\*  
**Russia - a Multilevel Federation**

*Introduction*

Different forms of Federalism have different roots. In a general way, however, we can isolate two major forms. On the one hand, it is a unity of a multitude of national and cultural groups in a society within one state. Federalism in this case must provide for a certain degree of flexibility and create conditions for differentiated and adequate relationships between the parts of the Federation. On the other hand, federalism is a type of division of power within a democracy. The vertical stratification of power and division of authority between the levels of a federation must optimize government control and the participation of as many participants as possible in the process of decision making. The adoption of a federal system is a reaction to an ethnically diverse and culturally rich society. The choice of a federal system in Russia with its ethnic and cultural diversity is a natural one. Given Russia's territorial vastness, a decentralized structure of state government that goes hand in hand with federalism is the most propitious type of government. Thus, one might think that Russia and federalism are «natural partners.» However, the realities of life in Russia with its authoritarian and unitary past make it evident that those «natural partners» have been unable to find each other so far. Proceeding exclusively from an analysis of the constitutional provisions and their interpretations, we will later conclude that today's "federal system" is a unitary state government disguised under a mask of federalism and that it is too early so far to speak about any kind of «natural partnership.» We will also attempt to show how the multilevel nature of the Russian federal system might help in transforming Russia into a federated state and even might advance the potential of reaching that goal.

*Russia - a Unitary Federation*

Part 1 of the Article 1 of the Russian Constitution names the federal system among the foundations of the Russian state system. Article 5 of the Con-

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stitution elaborates the nature of the federal system, and speaks of the constitutional autonomy of Federation entities (p. 2, Article 5), the unity of the system of state power and the division of that power between the bodies of state government of the Russian Federation. It also secures the principle of equal rights for each constituent part of the Russian Federation (p.3, art. 5). A direct, detailed description of the federal system can be found in the third section of the Constitution, in Articles 65-79. Of a great importance for the regulation of the federal system are provisions setting out the composition and authority of the Federation council (p.2, Article 95, Article 101 and Article 102). Other provisions scattered throughout the whole constitution should also be mentioned, for example, Articles 106, 125 and 130-133, which regulate such aspects of federal relations as participation of the constituent elements of the Federation in the process of federal decision making or in the organization of local self-government. Analyzing all those norms from the viewpoint of division of power between the Federation entities or from the viewpoint of the entities' statehood, we come to the sad conclusion that it is still too early to speak about any authentic decentralization of power or about any form of statehood enjoyed by the constituent elements of the Federation.

The power granted by the Constitution to the constituent parts of the Federation is limited. The division of state authorities is regulated in Articles 71 and 72 of the document. A list of the powers delegated by those articles to the central government is so long and all-embracing that virtually no power of real significance is vested in the constituent elements of the Federation. Article 73 of the Constitution invests the Federation's constituent elements with a rather nominal body of state power with the exclusion of subjects under joint authority.

The authority secured in Articles 71 and 72 of the Constitution is further defined in the legislative realm by the provisions of Article 76 and in the executive realm by the provisions of Article 77. On the basis of parts 2 and 5 of Article 76, legislation passed by the constituent parts of the Federation on subjects under joint authority may not be at odds with federal law, but the Constitution does not stipulate any limitation for the central government in subjects under joint authority. A similar unitary approach can also be observed in the field of the executive. The structure of the executive and legislative branches within the constituent parts of the Federation must be based on general principles set out by federal law. Thus, there is not really any even limited autonomy for the constituent parts of the Russian Federation.

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Nevertheless, we should note that Federation members have their own legislative and executive branches. As for the third branch, the judiciary, it only has a partial representation. Looking briefly at Articles 118-129 of the Constitution, which are the constitutional provision concerning the judiciary, we note that throughout that entire chapter, the only courts mentioned are federal courts. There is no mention of provision for the constituent parts of the Federation to independently administer law. That fact brings us to the conclusion, which though legally correct is totally unacceptable from the standpoint of federalism, that with the exception of the Federation entities' constitutional courts, a limited manifestation of their sovereignty, as well as courts that are outside of the framework of the state judiciary system such as courts of peace, the constituent elements of the Russian Federation have no right to independent judicial authority. Disregarding those exceptions, it can be argued that the third branch in the Federation entities is nonexistent.

The constituent elements of the Russian Federation cannot survive without reliable financial sources of their own. It would be also logical to say that federalism is of no great value in a system in which the constituent parts do not have sufficient financial resources. In Western federal systems, the viability of Federation members depends upon whether they have the right to lay and collect taxes. Still following socialist traditions, the Russian Federation finances itself through revenues from state property and from state-owned enterprises. Hence, the financial self-sufficiency of the Federation's constituent entities depends not only on whose authority it is to collect taxes but also on how the property of the former USSR is divided between the Federation, its constituent entities and local governments. The Constitution provides no answers to these questions. There are simply no constitutional provisions to regulate these financial problems and defend the interest of the constituent entities.

The Russian Constitution does not foster decentralization of power, which, in effect, is the backbone of federalism, and even legal practice has been unable to mitigate this problem. Through its numerous rulings favorable to the central government, the Constitutional Court of the Russian Federation has still further weakened federalism. Thus, where issues related to electoral law and the electoral system are concerned, the Constitutional Court as a rule has been guided by the principle of compatibility of the entities' legislative acts with the Federation Constitution while trying at the same time to bring the electoral systems in the Federation's constituent entities in

line with that of the central government. One point is especially alarming in those court rulings: in each of these types of cases which it has considered, the point under discussion was either elections within the constituent entities of the Federation or the democratic legitimization of their constitutional bodies. From the viewpoint of the constitutional autonomy secured in Article 5 of the Constitution, the regulation of similar issues must be exercised exclusively on the basis of citizens' electoral rights secured by the constitutions of the Federation's constituent elements. Thus, for example, in all the cases in which the Russian Federation Constitutional Court has examined the constitutionality of provisions of electoral laws relating to the rights of citizens to elect and to be elected to the bodies of state power of the constituent elements of the Federation, they must be compared with the provisions of Article 32 of the Russian Federation Constitution. Hence, bodies of state power in the constituent entities receive their legitimization from the federal elector, not from the electors of the subjects in question. Thus, it cannot be said that any form of authentic statehood really exists for the constituent elements of the Federation.

In considering complaints which have arisen in the areas of powers granted jointly to the central government and the constituent elements of the Federation, the Russian Federation Constitutional Court has consistently ruled in favor of the Federation without any need to do so. The Court has repeatedly confirmed the rights of the Federation entities to pass legislation on subjects within the joint authority of the central government and the constituent parts of the Federation. However, the Federation can at any moment and without limitation (for example, without even having to uniformly regulate the same issues for all entities in the Federation) legislatively intervene into the regulation of those subjects. In such cases, the constituent entities of the Federation are obliged to bring their legislation in line with that of the central government. Contrary to the Soviet tradition and the Federative Agreement of 1992, the central government does not limit itself in passing major provisions or guidelines concerning frameworks, leaving the constituent entities of the Federation without any chance for the independent regulation of issues within the joint authority of the entity and the central government. In fields of joint authority, the central government has the right to create detailed regulations. Another example of a centrist, unitary understanding of federalism is the renunciation of indirect presidential or gubernatorial elections in the constituent elements of the Federation. The Constitutional Court has thus imposed a system of direct presidential elections on the entities.

The Constitutional Court has not supported any attempts by the constituent entities of the Federation to have at least a minimum independence. Thus, in one of its most recent rulings relating to the Republic of Altai, the Court pronounced two provisions of the Republic's Constitution unconstitutional, though they were of rather symbolic significance. In one of them, the Republic of Altai declared its territory a nuclear and chemical weapons free zone. Another provision of the Republic of Altai's Constitution had to do with the very sensitive issue of property rights for natural resources, which it called the republic's «riches» (which in a technical, legal sense is not the same as «property.»)

Sometimes, court rulings can be encountered which strengthen the diversity of the federal system, though such decisions are rather rare. Generally speaking, we can say that the interpretation of the already centralized Russian Federation Constitution by the Constitutional Court within the framework of legal practice has resulted in its more limited understanding in favor of the center.

### *Degrees of Federalization in the Russian Federation*

Another picture may be seen by looking at a unitary Russia from another side. A great deal of the differentiation between the constituent parts of the Federation, as well as between other territorial and ethnic units in the Russian Federation, is a result of the concepts and constitutional practical experience embedded in the Constitution. Examining the Constitution of the Russian Federation, different types of federal entities can be immediately discerned, a concept that is clearly at odds with the principle of equal rights for the constituent elements of the Federation. The Constitution draws a distinction between republics, territories, regions, federal-level towns and autonomous districts, which are peculiar in being both a part of another entity and of the Federation at the same time. Apart from that, it is worth mentioning that there exist local self-governments, as well as «small peoples» mentioned in Article 69 which their own cultures but which are not full-fledged Federation members and do not having territories of their own. The mere fact that a great deal of different types of Federation entities exist shows that any simple scheme for the constituent entities of the Federation is not applicable within the context of a multilevel federation.

Further stratification of the Federation is also facilitated by ongoing constitutional practice, which adds new colors to the already motley picture. In

that respect, we should point to the Instruments of Federative Agreement. Part 3 of Article 11 of the Constitution of the Russian Federation allows such agreements to be concluded to divide the authority between the Federation and its constituent parts. Beginning with Tatarstan, such agreements were concluded between the Russian Federation and almost half of its entities. The various agreements do not follow a single model. They are of many different types, have quite different contents and pursue different goals. Thus, a distinction can be made between politically conditioned and politically necessary agreements that proclaimed the independence of Tatarstan, Bashkortostan and Yakutia as well as agreements with Kabardino-Balkaria and North Ossetia that strengthened the federal center and supported the leaders of those entities. We should also mention a whole number of so-called «equal rights» agreements which equalized territories and regions with republics. For example, we can name the agreements with the Sverdlovsk, Irkutsk and Perm Regions. In conclusion, we should mention agreements signed by the center as a reaction to peculiar features of the constituent elements which are signatories to those agreements; for example, the agreement with Buryatia, which has the peculiar feature of having Lake Baikal on its territory. In any event, these agreements have resulted in the Russian Federation becoming an asymmetric Federation with a complicated scheme of interrelations between the central government and its constituent entities. It is obvious that the agreements concluded with individual entities make an impression of «superficial pluralism» which conceal the country's unitary constitution and the no less unitary practices of the Constitutional Court of the Russian Federation.

The actual situation is furthered by two other circumstances: one centralist in nature and the other decentralist. The decentralist factor is both the unification of different subjects into groups following common interests and the setting-up of federal «task forces.» One such example are the unions of constituent elements located on the Volga or in the Caucasus. Given all the seriousness of such unions and the degree of juggling in selecting partners to be included in them, new amalgamations will appear in the space between the Federation and its constituent entities that in turn will facilitate further decentralization of power. A similar effect is also being made by the seven so-called «super-regions» initiated by Putin, which were intended as a means of strengthening the central government. However, from the viewpoints of both sociological theory and life experience, it would seem absurd if those units did not start developing and pursuing their own interests in the future,

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even were their only interest their own survival. It is by no means accidental that Putin's super-regions coincide territorially with military districts of the Russian Federation, thus being not artificial units but territorial units which already have their own interests. In any case, both the voluntary entry of constituent entities into unions and the creation of federal districts will result in a third level of Russian federalism. From the viewpoint of German federalism, that third level of unions of *Länder* (all the *Länder* or certain individual ones) is possible in principle and even well known. From the viewpoint of German dogmatism, the constitutional and legal borders of such third-level unions are either erosion of the central government or the self-sacrifice of the *Länder*. The practice of similar agreements and covenants between the *Länder* of the Federal Republic of Germany had its pros and cons. The benefits were some strengthening of Land autonomy and a corresponding weakening of the center. Here, we must bear in mind that German federalism is characterized by centralism. The problem was that such agreements and covenants had as their effect the strengthening of the unitary system and hence the appearance of a peculiarly centralized system.

### *Conclusion*

Constitutions receive concrete interpretations through constitutional practice. Good constitutional texts can make bad constitutions, while bad texts might, eventually, make good constitutions. The Russian Federation Constitution cannot be called a very good one from the viewpoint of federalism. Russian constitutional practice creates a very controversial situation. The Russian Federation Constitutional Court's legal practice provides for a stronger central government and by doing so pushes federalism into a still narrower framework. On the other hand, Russian constitutional practice facilitates, among other things, the creation of a multilevel asymmetric federation. The asymmetric and multilevel characteristics of Russia's special form of federalism give the Russian Federation a «federal chance.» The central part in the multilevel model is played by an instrument of «federalism by agreements» both between the center and individual entities, on the one hand, and unions of entities created by agreements to facilitate attaining certain goals on the other. If that kind of «federalism by agreements» is, in fact, a federal chance for Russia, then important conclusions for understanding Russian federalism must be drawn: that federalism by agreements is only a

transitional stage towards a new Constitution; and that “federalism by agreement” is only an instrument to bring the Constitution into optimal correspondence with Russia’s social conditions particular features. This can only occur if the Constitutional Court, in interpreting the text of the Constitution and, most importantly, the central government, which has been very active recently in strengthening its political power, will allow this to happen. We do not think it is necessary to note once again that this kind of path is, in our opinion, both necessary and desirable but that it would be in contradiction with ongoing political trends.

Milena Gligitch-Zolotaryova\*  
**Strengthening the Constitutional Bases of Russian  
Statehood**

*Political, Legal and Economic Aspects*

Modern Russian federalism exists largely as an abstract theoretical construct as established by the relevant provisions of the current Russian Constitution. The state system of Russia as it presently exists, however, is far from fitting within the constraints of the framework of these provisions. The positive qualities of the current Constitution and its role in defining the basis of Russian federalism cannot be ignored. However, the Constitution does not create a truly federal system because of the imperfection of the relevant Constitutional provisions, which tend to contain discrepancies and contradictions where the federal system is concerned. In addition, the construction of the federal system should follow the development of the economy of the constituent parts of the Federation, establishing its primary achievements and creating conditions for new, more perfect federal constructions.

In this regard, the current Constitution of the Russian Federation has contributed to the emergence of controversy and the instability of the economic system as well as a preference for illegal methods of interaction between participants in the economic system. The creation of a federal system which would provide an equal status for the constituent parts of the Federation could be debated at great length, but if the political and socioeconomic situation makes it almost impossible to institute symmetrical federalism in Russia, then however intelligent the conclusion of such debates might be, they will never result in the introduction of a novel solution. The equality of status for the constituent parts of the Federation is out of the question, however, because of the system of interests of the power elites currently existing in Russia, which is directed only towards a redistribution of property which ignores legal norms.

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As a form of state sovereignty and as a method of regulating resource flows, the federal system can only form the legal basis for strengthening the existing economic system, not for its radical change. The federal system imitates the economy, not the opposite, as the authors of the current Constitution as well as those of former Soviet laws attempted to demonstrate. Russia faces a choice between one of two possible paradigms for future state development, a federal system or a unitary system. It is impossible to evaluate whether one or the other of these possibilities is superior from the point of view of Russia's historical tendencies. Russia cannot be said to have had a proclivity toward one model or the other. Having at various times had both a protoconfederative and a unitary structure, Russia nevertheless preserved some institutions characteristic of a federal system.

Recent official doctrine has tended to support a unitary, centralized nature. However, history has demonstrated that the construction of unitary, centralized empires of power is an artifact of past centuries because the costs of empire-building greatly exceeded its profits. To support the resurrection of the unitary, centralized state in Russia means to support a return to the multiple failures of the past having ignored their lessons. It means to again expend huge resources to support the vital activities of a giant state organism despite the absence of such resources in Russia today. The creation of a unitary state system implies the realization of a single center of power as the embodiment of state sovereignty, but its effectiveness in Russia is problematic because it fails to provide for the real sovereignty of the people. In principle, the creation of a unitary state system implies the total mobilization of all resources for the sake of the achievement of a certain goal, but there is no guarantee that this goal will ever be realized. There is no guarantee that those in power are committed to the goal which will effectuate such a mobilization when, in principle, such guarantees do not exist, except, perhaps, for personal guarantees which are claimed to compensate for the faults and failures of the institutional level of state building. However, even those do not exist in modern Russia.

The path of reestablishment of a unitary system in Russia is unacceptable as a prospect because it means a return to old, obsolete, ineffective methods of governing, though the strengthening of centralization might be useful for the interim. Federalism is the only alternative for the development of Russia if it is to be a democratic state bound by the rule of law, as the current Constitution proclaims it to be.

Modern Russia doesn't fit into the category of currently established federal states because of the incompleteness and instability of its achievements in constructing a federal system. The current Constitution of the Russian Federation contains not only provisions for the existing federal structure but also provisions which contradict it. Society has again faced the choice of attempting to reform a federal structure which does not yet exist or admitting the unitary nature of the Russian state system with all of the consequences such a choice would entail. Furthermore, Russian history has demonstrated completely inconsistent formal approaches to federalism. By the end of the Twentieth Century, the long charade of a federalism which had masked not only a unitary but a strongly centralized state had ended as a tragedy for the peoples who inhabited the former Soviet Union. As soon as the Communist Party abdicated its dominant role on the stage as a power cementing the state, the question of secession of the constituent republics of the Soviet Union emerged. Separatist tendencies were evidenced in unprecedented forms and unparalleled scope. Such a state of affairs came about because as one of the most active guarantees of democracy, federalism can only be effective under conditions of a society characterized by a certain level of economic development. Otherwise, the costs of federalism will outstrip its benefits. While the costs of Soviet federalism outstripped its benefits because it was almost completely obscured by the administrative command economy, the costs of the new federalism of the nineties also outstripped its benefits because it had at its foundation an economy constructed on the export of resources and capital. The question arises: to what extent was it ever possible to create in our country an economy which would correspond to federalist ideas of a state system?

In this connection, it must be admitted that at this time, in Russia and in the entire world, a situation exists in which the observance and protection of the rights of constituent governments in federal systems can be guaranteed by the state only if power and resources are centralized. The degree of this centralization should be rather high, because at this time, we cannot fully appreciate the degree of degradation of the Russian economy. However, under no conditions should it be doubted that Russia has chosen the path of democratic development and of observance of the rights and freedoms of its citizens. Ignorance of such fundamental values cannot be justified by any concern for state unity. Continuation of Russia's development depends directly on whether Russia can navigate the stormy seas between the twin dangers of

economic reality and an effectively governed, just society which have drowned many generations of reformers. Certainly, we cannot ignore the recent achievements in the modernization of federal standards in Russia. The systemic approach to the reform of the federal system has also been expressed in the fact that President Putin introduced a number of decrees and bills addressing the key problems of the country's complex federal system. The advantages and disadvantages of the contents and legal-technical aspects of Putin's initiatives can be debated, but that their fundamental, defining character supports the constitutional basis of the Russian state system need not be proven. The complexity of Putin's approach is reflected in the following facts:

The "Law On the General Principles of Organization of Legislative and Executive Organs of State Power of the Subjects of the Russian Federation" has been passed, the aim of which is to provide unity in the system of state governance.

The necessity of introducing a contractual process in the workings of the Constitution has become defining. The Federal "Law on the Principles and Order of Separation of the Subjects and Powers Between the Organs of State Governance of the Russian Federation and Organs of State Power of the Subjects of the Russian Federation" has been passed. Work has been conducted on bringing the legislation of the constituent parts of the Federation into correspondence with the Constitution and Federal legislation.

The Federal "Law on the General Principles of Organization of Legislative and Executive Organs of the State Governance of Subjects of the Russian Federation" has been amended to legally enshrine the powers of central authorities in order to protect all Federal interests, including coercive measures toward the constituent parts of the Russian Federation, which are known as the so-called "Federal intrusion." Today, questions of Federal intrusion are regulated as part of Presidential decrees.

The constitutions and laws of a number of constituent entities do not correspond with the Constitution of the Russian Federation. The negative assessment of this fact has finally resulted in active work to regulate such constitutions and laws of constituent entities including the use of the mechanism of the seven federal districts created through Putin's regional reforms.

By means of amending the Federal "Law on the General Principles of Local Governance in the Russian Federation," steps have been taken toward incorporating organs of local governance into the institutions of state power.

However, the process of reforming the state system is not without its own disadvantages.

An in-depth consideration of Presidential initiatives which strengthen the powers of the central government raises a number of principal questions.

1) The system of power proposed by President Putin must be symmetrical at each level, beginning with the Federal level and progressing to the local level. All organs of state power at all branches and levels should possess sufficient rights and duties to provide balance in the system of governance. The fact that the newly-introduced powers of the organs of state power of the constituent elements of the Federation as well as organs of local governance will now be responsible for their violations of Federal law and the Federal Constitution is only one of the elements of this system, which will not be effective without providing analogous responsibility on the Federal level. For example, the State Duma has passed many laws which contradict the Federal Constitution. However, the Duma was not held responsible for its actions because a mechanism to enforce this responsibility does not exist. Similar conditions exist in other branches of power. **The initiatives of the President will not support the transformation of Russia into a state governed by the rule of law without a symmetrical system of responsibility for violation of the Constitution and Federal laws at the Federal, regional and local levels.**

2) The redistribution of authority which is supposed to take place in the course of implementation of Presidential initiatives will violate the system of checks and balances which exists today vertically and horizontally. Voluntary use of Federal intrusion and the manipulation of institutions can cause a disproportionate growth of Presidential authority. Against the background of vast authority given to the President by the Russian Constitution, it is possible that the President's power could become disproportionately influential and detract from the powers of other branches of government. Thus, the protection of the principle of federalism has greater importance than simply promoting a more effective system of state governance. In modern conditions, federalism is one of the main guarantees of a functioning democratic political system as provided by the Constitution.

3) The role of the judicial system under current conditions would also be injured by violation of the system of checks and balances. Judicial organs are vested with a large degree of authority in the execution of the procedure of Federal intrusion. However, the judicial system of the Russian Federation

is currently in a miserable state. The material and technical equipment of the courts leaves much to be desired. According to some data, 60 to 80 percent of judicial branch employees still have not received Presidential appointment and still possess the status of “executing duties,” which puts them in direct dependence on Presidential structures. It is obvious that it will be difficult to guarantee the constitutional and legal nature of the procedure if the judicial organs remain in such a condition, and the political balance between the President and the judiciary will be seriously jeopardized. Much has been accomplished in modernizing the federal system in Russia, but much still remains to be done. The current situation radically differs from that which existed even one year ago, and it therefore requires new decisions and approaches.

***On the Question of Amending the Constitution  
of the Russian Federation***

The question of amending the current Russian Constitution as opposed to simply rewriting the entire document has always been on the agenda. **The Constitution, the fundamental document of the Russian state, cannot be destroyed. But its provisions, including those which concern the federal system, can and should be perfected.** Thus, only the question of the organization and activities of the Constitutional Council but not of the Constitutional Assembly provided for by the Constitution should be discussed. A short while ago, the author of these lines wrote of the necessity of reexamining certain provisions in Part One of the Russian Constitution in connection with the need to regulate the composition of the constituent entities of the Federation. But today, in view of the fact that fundamental democratic values are being threatened, the change in the constitutional priorities of Russian statehood can play a fatal role in the country’s prospects for the future. Constitutional reform must proceed in a soft, evolutionary manner.

***On the issue of convening the Constitutional Assembly.***

*The Constitutional Assembly can only act as a deliberative body* in the process of changing Chapters 3-8 of the Russian Constitution. Activities of the Constitutional Assembly must be based on the principle of maximum and extensive social and political representation. It is a significant disadvantage in

the work of the Constitutional Assembly which already been demonstrated by the modern Russian history that often, the proposals to change the Fundamental Law which submitted to the State Duma do not at least nominally correspond to the initiatives which have been considered and approved by the Assembly (a similar situation occurred in 1993 when the Constitution presently in force was subjected to a nationwide referendum). The lessons of the previous stage in constitution building must be considered with greater care.

***On the issue of the federative nature of the Russian statehood.***

The possible course of constitutional reform also pre-determines the prospects for Russian federalism from the formal legal point of view, but *the federal nature of the Russian statehood stipulated by Article 1 of the Russian Constitution cannot be ignored or changed arbitrarily*. Federalism is the most expedient model for organizing the Russian state to facilitate its further democratic development, and it is unacceptable to disregard for no particular reason the principles of federalism protected by the Constitution, even if they are mostly formal.

***On the issue of reforming the Federation Council.***

The Federal Law “On the Order of Forming the Federation Council” enacted in the summer of 2000 envisages *serious changes in the model of representation of the constituent elements of the Federation in the upper chamber of the Russian Parliament*. The leaders of constituent entities will be supplemented by their representatives, who will work on a permanent basis. The opinion has been expressed that the newly-constituted Federation Council may prove to be less capable and responsible than its predecessor, and its decisions may lose weight from the political perspective. Although such a threat exists, it nevertheless seems that the fundamentally different status of the new senators will enable them to carry out constructive work aimed at the modernization of the Russian federal system. Proposals to abolish the Federation Council and to switch to a unicameral system are irresponsible. Part One, Article 11 of the Russian Constitution stipulates the existence of the Federation Council. To abolish it, the Constitution in force would have to be amended, and the consequences of doing so, as have already been mentioned, would have a pernicious impact on the prospects for Russian statehood.

***On the issue of the State Council's activity.***

Another method of weakening Russia's parliamentary mechanism exists: changing Chapter 5 of the Russian Constitution to redistribute the powers of the Federation Council among the State Duma and perhaps another body such as the State Council. This development would be unacceptable because the commonly accepted principles of federalism would be violated and the rights of the constituent entities of the Federation trampled by its representation at the federal level losing its political and legal significance and also because the values of parliamentary system and, therefore, democracy at large will be infringed. By liquidating the upper chamber of the Russian parliament (though retaining it formally) and transferring its functions to pseudo-parliamentary bodies such as the State Council, there would be a dramatic weakening of the parliamentary system as a whole, as it would be deprived of the potential which during the course of reforms enabled it to implement a reasonable and balanced policy and play a stabilizing role for the democratic system in Russia. *Should the parliamentary mechanisms be weakened, the further practical implementation of the constitutional structure bases will be doubtful.* As regards the State Council, the status and authorities granted to it by Presidential decree are absolutely inconsistent with the role which was initially envisioned for it, namely to ensure coordinated functioning of the central government and the constituent parts of the Federation beyond the framework of the legislative process. It is evident that the powers of the State Council must be considerably expanded, but this expansion should not occur at the expense of the powers of the Federation Council or other parliamentary bodies.

***On the issue of the economic foundation of federalism.***

The problem of creating an effective, dynamically developing and viable economic system for Russia which functions on principles sufficiently sound to meet the contemporary standards of a developed democratic state falls beyond the bounds of the topic of this chapter. Nevertheless, it is precisely this kind of system for which a federal system that would contribute to the further development of society and would not be an element of economic and sociopolitical mythology must be created. *Russian federalism must remain on a certain economic basis* ("economic concert," as it was called by the famous Russian legal scientist A. Yachshenko). At a time when

the Russian economy is experiencing profound difficulties, it is hardly possible to speak about the principal modernization of the bases of Russian federalism. Any legal constructions, in one sense or another, are dependent on economic relations in society. Federalism cannot be considered Russia's primary concern if it does not even have market mechanisms working at full capacity.

Nevertheless, it is tempting to believe that Russia's federal system can be modernized and still remain a federal system.

Larisa Kapustina\*

**Evolution of relations between the center and the regions and scenarios for federal development in Russia**

In the last decade there can be nominally distinguished three stages in the evolution of relations between the center and the regions.

The first stage, until the mid-nineties, was characterized by the tendency of the Russian economy to become regional, for the subjects of the federation to become sovereign, and by the growing role played by the local bodies of state power in running the territory under their authority. The balance of powers in the relationship between the center and the regions was gradually shifting in favor of the regions.

In 1990, the signing of the Declaration of the Sovereignty of the Russian Soviet Federal Socialist Republic marked the beginning of the proclamation of sovereignty by the autonomous republics. Nearly all the formerly autonomous republics declared themselves independent administrative-territorial entities.

In 1992, Tatarstan and Chechnya did not sign the Federal Agreement and proclaimed their independence. Numerous territories started considering the possibility of following suit. In the course of growing regional self-consciousness, the subjects of the federation acquired as much sovereignty as they could. For example, Tyva secured the right to declare war and to take decisions on issues of war and peace. Bashkortostan, Yakutia and Tyva enacted republican laws on military service. Buryatia, Komi, Tyva, Kalmykia, Karelia, North Osetia and Ingushetia declared the right to introduce states of emergency in their territories. Dagestan, Tatarstan, Bashkortostan, Tyva, Ingushetia, Komi, the Sverdlov and the Novgorod areas and others assumed authority over foreign relations and international agreements.<sup>18</sup> Apart from that, a number of national republics included in their constitutions the right of secession from the Russian Federation and the supremacy of their constitutions over the Russian Constitution.

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<sup>18</sup> *Problems and Ways to Improve State Government in the Russian Federation, Yekaterinburg, Urals Branch of the Russian Academy of Sciences. 1999, p. 24.*

Under the Constitution of Russia, all six types of subjects of the federation – republics, territories (krays), areas (oblast'i), cities of federal importance, autonomous areas and autonomous republics have equal rights, but in fact each of the subjects of the federation has constructed its own model of relations with the center and consolidated it by bilateral agreements which attempt to secure as much power for themselves as possible. As a result, the number of levels within the Federation has increased, the position of the center has weakened, and tendencies to disintegration have distinctly manifested themselves in the legal, economic and informational sphere in the country.

In 1993-1994, a radical reform concerning budgetary relations between the central government and subnational levels of government was carried out. For the first time in Russian practice, uniform normative deductions from federal taxes to the budgets of the federation subjects were established (except in Tatarstan, Bashkortostan and Yakutia). The foundation of the regions' financial support was created, and transfers to the regions from the center began to be distributed on the basis of a single formula. As a result, the regions' share in the Federal budget has doubled, exceeding 50 percent by the midnineties. Thus, the financial basis of the regional power has got stronger.

The second stage, from 1996 to 1999, was characterized by further strengthening of the political and economic power of the regional elites, flourishing separatism and the emergence of a true threat to the territorial integrity of the Russian state.

In 1996, the governors' elections were conducted, and the regions, on behalf of their governors, acquired considerable independence from the center. At the same time, a hypertrophied executive power appeared in the provinces, many of which had autocratic leaders. The positions of inter-regional economic interaction associations got stronger. Eight leaders of regional associations joined the presidium of the government.

In the budgetary-financial sphere, the balance of power between the center and regions was mostly unchanged. But in 1996, the tendency to individually coordinate the amount of transfers gained the upper hand. In 1998, the Russian government adopted the concept of reforming inter-budgetary relations for 1999-2000.

Moscow's attempts in 1998 to reduce the regions' tax base and decrease direct transfers failed. At the same time, the revenues of regional budgets

were unjustly withdrawn based on changes in tax legislation. For instance, in November 1998, the regions incurred losses resulted from the establishment of Gazprom. Thus, the budgetary losses of Yekaterinburg amounted to 10 percent of the city's tax revenues; in the Nizhny Novgorod area, more than 400 billion rubles. Many leaders in many Russian regions were of the opinion that such a change in the tax basis contradicted the law on the budgetary structure of Russia.

Simultaneously, the leaders of the donor regions failed to transfer the right to take decisions on tax and budgetary problems from the government to the Federation Council. The system of inter-budgetary relations quite clearly indicated the tendency to increase the share of spending power in the budgets of the federation subjects along with reducing their share in distributing the tax receipts of the country.

During the second stage, all of the conditions for the development of secession have formed in Russia: a multi-national state, economic trouble, the regions' inequality in rights in their relations with the center, imperfect political-administrative divisions, and the geographical remoteness of the regions.<sup>19</sup> The crisis of statehood and the strengthening of local elites acted as an impetus to disintegration. As a result, by the beginning of 1999, Russia had entered the critical period in the development of an established constitutional-contractive federation.

The third stage began from the middle of 1999 and has lasted through the present time. It is characterized by the strengthening of the center and the governors of the federal bodies in the subjects of the federation; replacement of a number of the President's representatives in the provinces; dismissal of federal employees under the regional authorities' control; toughening control over the prescribed federal budget spending in the regions assisted by the Federal Treasury's divisions; the adoption of the federal law "On the principles and order of delimitating the subjects of governance and powers between Russian Federation state bodies and the bodies of power in the subjects". The Constitutional Court has ruled the sovereignty of the federation subjects unconstitutional.

In the year 2000, the preponderance of power increased in favor of the center. With the goal of ensuring the administrative implementation of federal laws, seven federal districts (okruga) were created. The Presidential Decree of May 13, 2000 vested the Presidential representative (polpred)

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<sup>19</sup> *Regional separatism as a threat of Russian integrity// Region-expert 1999, № 26, p.19.*

with control over implementing federal laws; coordination of the activity of law-enforcement bodies; organization of procedures for reaching agreements and settling debates between federal authorities and the federation subjects' authorities.

The order of forming the Federation Council has been altered, and the role of governors in making decisions concerning national problems has decreased. The establishment of the State Council as a deliberative body has not compensated the regional leaders for their loss of status. The governors have been removed from big politics, and, according to the logic of the center, had to concentrate exclusively on resolving the economic problems in their regions and searching for internal sources for their regional budgets. Simultaneously, the President has acquired the right to dismiss regional leaders, and that must compel them to demonstrate administrative subordination with respect to the federal center.

Essentially, the process of making up agreements which delineate authority between the center and the federation subjects has been completed. Initially, the agreements served as a temporary measure and were the result of political compromise. Some leaders of territories (krays) and areas (oblasts) think that the contractive order of delineating spheres of authority between the center and the federation subjects has proved imperfect.<sup>20</sup> Nevertheless, the leaders of Bashkortostan and Tatarstan consider the contractual form of relations with the federal center optimal and speak in support of the prolongation of the agreements in force and signing the new ones in the various fields of activity of the executive powers.

The Federal Tax Code does not equate the interests of the center and regions and redistributes budgetary resources in favor of the center. In 2001, the federal budget will concentrate 70 percent of the revenues coming into the budgetary system of the country as compared with about 50 percent in 2000. Yet, another distortion in inter-budgetary relations for the benefit of the federal center is justified only if the federal budget finances the corresponding part of social spending. The centralization of financial resources is substantiated by the necessity of guaranteeing equal civil and social rights to all the citizens of Russia irrespective of their region of residence.

The thesis of "Russia's gubernizatsiya," or creating 8 – 10 enlarged regions in place of the existing 89 subjects of the federation, has gained popularity.

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<sup>20</sup> *Federalism of equal potential. // «Izvestya» – 1999. – 11 august.*

A few scenarios for the country's political-administrative organization can be considered, and the probability of their implementation depends on what aims will be pursued in modernizing the relations between the center and the regions. Initially, federalism in Russia was built on the basis of the task of creating a presidential republic. That envisaged retaining a politically centralized state and delegating considerable economic independence to the regions.<sup>21</sup> Therefore, the regions could have their own economic tasks but could not and must not have their own political goals, and in practice to divorce those two has proven impossible.

The present aim to transform federal relations has something in common with the Russian President's strategy to return the country to super-power status. President Vladimir Putin thinks that: "Russia needs a strong state power and must have it. A strong state power in Russia is a democratic, legal, capable federal state."<sup>22</sup> It is possible to name four scenarios for Russia's institutional modernization.

Scenario 1. *Unitary state*. This scenario concentrates predominantly on strengthening the hierarchy of executive power, regulating the relationships among the three levels of power: local self-government, federation subjects and the federal center and on reducing regional expenditures in favor of the federal budget. Should this occur, there will be resistance to the election of governors and local self-government leaders, and lower levels of power will be completely subjected to the upper levels administratively and economically. Governance will be centralized as it was under Soviet rule. This scenario seems unlikely, as civil society and market relations have matured, enabling the regions to withstand the loss of their independence.

Scenario 2. *Confederation*. If centrifugal tendencies prevail over centripetal ones and the federal center is weak, it could lead to the establishment of a confederative state under the following principles: the subjects will secure complete sovereignty and independence; state legislation will fix the subjects' right to secede and procedures for secession; and the local national language will be granted the status of an official language. Disintegration and rapid destruction of state control structures and the hierarchy of power can bring about the collapse of the state. Chaos and anarchy could occur in various spheres of life, the negative consequences exceeding the costs of gradual evolutionary

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<sup>21</sup> Olshansky D. *Decomposition: new symptoms of old disease*.//Center and regions of Russia. 2000, p.54.

<sup>22</sup> *Russia at the boundary of millennium*.// Region-expert, № 1, January 2000, p.16.

development of the federation. This scenario must be obstructed by any means, because if the unstable confederative model is formed, the consequences of the Russian state's collapse could be catastrophic.

Scenario 3. *Democratic federalism* is based on the rejection of the national principle of a federal system as well as on administrative-territorial reform, economic liberalism, and a sufficiently developed civil society.

The fact that Russia is a multinational state must not be ignored, and the new federalism must ensure ethnic and national interests both in the center and the provinces. The conception of national security of the Russian Federation, approved by the President's decree of December 17, 1997, treats national security as "the security of Russia's multinational population possessing sovereignty and being the only source of power in the Russian Federation". R. Abdulatipov believes that the place and role of the peoples of Russia in the development of the Russian state has been historically underestimated.<sup>23</sup> In his opinion, the free development and comprehensive cooperation of peoples is exactly what must be attained in the present situation. Apart from that, though the right of nations to self-determination must be respected, this problem increases threat of the state's disintegration. From our point of view, eliminating the national principle of territorial-administrative organization of the country does not infringe upon the rights of the numerous ethnicities of Russia but changes the approach to the issue of nationhood from treating national entities as nation-states to giving ethnic groups the opportunity to pursue free and secure development in their regions within the Russian state.

The democratic model of federation will be built on the foundation of changing the established administrative-territorial division of the country, enlarging the subjects of the federation. Democratic federalism requires further decentralization of the budgetary system, classifying imposts as federal, regional and local taxes and the distinct delineation of authorities at federal and regional levels in the fields of income and spending. The adoption of a law on minimal state standards must provide the legal foundation to consolidate the substantiation of budgetary needs. The implementation of this scenario can be hampered by the ambitious leaders of the federation subjects who object to the enlargement of the country's regions.

Scenario 4. *Constitutional federalism*. This scenario largely repeats the principles of democratic federalism with the exception that the number and bound-

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<sup>23</sup> *Doctrine of national security.*// «Ural worker», 1 February 2000.

aries of the existing 89 regions do not change. Alternately, perhaps only areas and territories might be combined, and the national republics could retain their privileged status. This scenario envisages that the foundation of the federation is still the national-territorial principle, and the federation, considering its constitutional character, is asymmetric and different types of subjects of the federation are not equal in rights. This scenario can be realized as an intermediate stage in the transition to democratic federalism. The fact that the election of governors and local self-government leaders, as well as sufficient economic independence of the regions, will be retained is of fundamental importance.

At the present time, many preconditions and legal contours of democratic federalism have been created. That is why Russia is very likely to develop from an asymmetric contractual federation to an asymmetric constitutional federation and finally to a symmetric constitutional federation.

The measures of institutional reform which have been implemented are rather controversial. There is an obvious tendency for excessive centralization of legal and economic authority over a region, as the center strives for complete control over the re-distribution of budgetary funds in a region. Centralizing taxes and spending powers can have a positive outcome in terms of curbing corruption and the non-purposeful expenditure of funds. At the same time, regional governments are better aware of local needs and problems. One can object to the fact that the federal center has unilaterally initiated the changes in the federal relations without consulting the regions, without taking into account the positive experience of the regional legislative process. A number of local laws have proved to be more advanced from the point of view of institutional progress. The federal districts' state employees are likely to become the new regional elite, loyal to the center.

The scope of regional governments' authority is not clear, and it seems to be shrinking and, perhaps, will only be confined to small and medium-sized businesses. The regions can hardly count on the center's financial support to increase the profitability of their budgets and stimulate economic growth and will draw upon the maximal use of their comparative advantages and attracting investments.

Therefore, there is an obvious system of political and regional dependence of the regional and local authorities on the center. Bureaucratic methods are prevailing in it; the sphere of federal power's responsibility is growing, and while the liberal democratic goals are a mere declaration, there is an obvious tendency towards a unitary system.

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It is obvious that the changes in the federal system of the Russian state are necessary and inevitable. If they are not made, there are two possible outcomes: either the state will degenerate into a confederation, or there will be rigorous centralization and transition to a unitary state. The society as a whole is ready for reform in federal relations, and that is grounded on the need to restore order in the country, mitigate the oligarchs' role and get rid of corruption and criminals. Also, local authorities have exhausted the citizens' credibility because they proved to be administratively weak, demonstrated group egoism and were incapable of considerably improving the social welfare of the population.<sup>24</sup>

The system chosen must have less administrative regionalism and more leveled relations and "bottom-up" relations, less state intervention and more civil society involvement.

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<sup>24</sup> Zubkov K.I. and others. *Programs of reforms of federal center and theirs influence on the city development. Scientific report. Yekaterinburg. 2000, p.30.*

Dmitry Badovsky\*

**The system of federal districts and the institute of  
PolPredy of the Russian Federation**

*President: the present state and development problems\*\**

The establishment of the districts has been a mature decision for quite a while. The corresponding proposals concerning increasing role of the interregional associations as well as with general parameters of reorganizing the state territory government, had been put forward by many representatives of political elites back in 1997-1998.

In the recently formed system of territorial administrative organization, the so-called “limit of governability” has been exceeded. The weak federal center was ultimately inefficient in performing its governing functions. The majority of regions were unable to work through their duties and implement them effectively for the good of society.

As a result, there appeared a governance gap between the federal center of executive power and the territorial units in federation subjects. The abundance of governed elements did not permit the effective control of the execution of decisions, and often the system itself made it impossible for government signals to go through the hierarchy of power. A weak center along with weak regions could cause serious consequences for the country.

Since the national government became aware of the corresponding governance tasks, as well as of unsatisfactory legal condition and inefficiency of territorial organs of executive power in the federal subjects, the implementation of the okrugi system has been viewed as a decision. The okrugi system can restore manageability and governance. The establishment of the okruga apparently aims at a vertical redistribution or de-concentration of presidential powers and at bringing the federal governors closer to the federal subjects and their populations. Reconstructing and improving the territo-

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rial structures of executive power and forming okruga will simultaneously promote the decentralization of power in the government. The reform will also enable the government to increase the executive efficiency of state policies in the area of territorial development, ensure the legal and economic unity of the federation both vertically and horizontally, increase the integration opportunities between regions and optimize the interaction between regional and municipal governance levels. However, this process is still in its beginning stage, as it is often not supported by political will or legal norms.

One of the major aims of the administrative reform is to improve economic and political organization in order to ensure the country's economic integration, increase the efficiency of state territorial governance and make the regions' potentials equal.

In the future, the federal districts must become an administrative and territorial structure which would permit the organization of an effective system of governing the regions and resolve a whole range of state policy problems in the field of regional development. A district or okrug must be vested with all the required authorities to execute state policies concerning governance and to take care of the territories' interests and needs.

A fully implemented model of a centralized federation would be the most adequate and productive strategy of state building in Russia. The model implies, on the one hand, that all the federal principles of state building (including the independence of subjects in their competence areas, the election of the federal subjects' leaders, the development of local self-governance, etc.) should be preserved. At the same time, it is necessary to create and strengthen the institutes and mechanisms of federal presence and intervention in the regions and to ensure a clear and intelligible regional policy for the state. That will result in creating structural conditions for economic development and national security as well as conditions for shaping and developing a civil society which would be capable of controlling both federal and local powers.

Many experts believe that the establishment of the okruga might create additional conditions for disintegration and separatism as well as produce prerequisites for turning the new districts into quasi-states, etc. There are concerns that there may be a stronger tendency to divide the country into seven political, economic and information regions/districts. However, the reverse interpretation agreeing with the theory of government is equally possible: the establishment of okruga and interregional "capitals" might pro-

mote the improvement of territorial government system, create new centers of growth and innovation, and help resolve the typical Russian problem of administrative-bureaucratic hyper-centralization.

Whether the events will develop according to any of the scenarios depends largely on the state and political will. If the central power is strong and capable, if it is able to implement a reasonable policy and create favorable and equal conditions for the development of territories, then, firstly, any separatist efforts will be effectively suppressed and, secondly, no regions will feel the need for sovereignty. At present, some signs and effects of such tendencies can be observed in the course of implementation of reforms.

From the political perspective, it is evident that the reform is aimed at creating a better governable political and regional infrastructure and common legal area. In the present time, the PolPredy are concentrated on bringing regional legislation in accordance with federal law, solving the regional political conflicts and controlling the course of regional elections.

The forming of the regions' own information policy is strongly encouraged and supported by actions. Mass-media coordination councils have been established within each of the okruga. The PolPredy were granted a range of authorities to appoint senior executives of the regional branches of the All-Russian State Television and Radio Company. General prospects include the creation of a full-fledged mass-media system in the okruga.

In the federal districts, "mini-federal councils" and "mini-state councils" are being established. The PolPredy are establishing the corresponding range of structures, district coordination councils, etc., and each of the latter will include a universal range of structures including the following:

- The leaders' council of federal regions, including law-enforcement bodies (basically a form of district government);
- The governors' council (a form of mini-state-council);
- Probably, the council of executive and legislative regional power representatives (a form of mini-federation-council);
- A council on local self-government/a local (self)-government council;
- Expert and consulting councils, research councils, including district centers for strategic projects.

The development of the okruga system will simultaneously create a number of conditions to change the balance of power between regions and regional elites. The capitals of the okruga can be expected to strengthen their political federal positions and increase their political influence. At the same

time, non-capital leaders of the governing body might lose their political influence. Such regions are likely to turn into a kind of “suppressed” regional centers.

As far as economy goes, new capital regions might obtain additional infrastructure advantages over other federal subjects, i.e.

- Priority in financing and priority consideration of their problems by government and president;
- Priority in infrastructure development (roads, telecommunications, etc.);
- Opportunity of financial (flow) concentration in the regions due to the local concentration of taxpayers (and their new registration in the okruga centers) and regional banking systems.

The creation of okruga encouraged the destruction of interregional economic cooperation associations. The case is that the traditional economic division into districts (which was the basis for associations) does not match the federal okruga borders. The interaction between the federal executive power and interregional associations is basically stopped. There appear constant rumors that the associations might be reorganized and their borders changed. Besides, it is the associations that can become the potential base of “Fronde” against the PolPredy.

In addition to the associations of interregional cooperation, large companies and corporations as well as natural monopolies also undergo reorganization in the okruga. This reorganization, which is not necessarily connected with the okruga reform, is currently out of the control of the PolPredy. For instance, reorganizing of Sberbank’s territorial structure does not just happen in accordance with okruga plan – the procedure also has to meet the requirements of the international financial organizations. Restructuring of natural monopolies adheres first of all to the logic of corporative plans, and the directors of those companies are not always interested to increase the influence of PolPredy upon their enlarged regional structures.

The relations between PolPredy and regional oligarchs have not been fully shaped yet. It is caused by the fact that presidential representatives do not yet possess either the economic resources and technologies or sufficient lobbyist potential. Besides, the regional oligarch’s status is usually ensured by the relations with the governing corps, as the latter still retains control over the actual economic relations and financial flows. However, the collaboration between PolPredy and regional oligarchs, has just started, and it is often motivated by political tasks.

Nowadays the approaches of PolPredy to resolving social-economic tasks are quite different, as well as the share of attention paid by each of them to those issues. In the Northwestern district the preference is given to the search for new external investments and implementation of infra-structural projects, in the Southern and Far Eastern districts – to the complex programs of social-economic development. In Siberia, they promote integration of industries and stock-taking of resources, as well investment projects. In the Central region particular attention is paid to the problems of economic security and struggle with economic crime, as well as to the task of business/entrepreneurship development. The approach in the Urals is similar in many ways, though, the plenipotentiary group there also stresses the development of certain economy industries and large financial-industrial organizations in the region. The Volga district is considered to be “laboratory of new experiment”.

Overall, different okruga and federal subjects demonstrate completely opposite tendencies in developing the institute of PolPredy. In a number of cases the system of PolPredy starts operating as a system of federal intervention into the regional political processes and into the power balance in the local elites; as an instrument of limiting governors’ power and as a mechanism of political control over them. In other cases and in different federal subjects, quite an opposite situation can be observed: PolPredy’ groups are formed from the governors’ officials, then they integrate quickly with the local elite, and further merging of the federal and regional bureaucracy takes place. Here the hypothetical system of federal intervention gradually transforms into the system of regional lobbyism in the Center when PolPredy and their officials turn into a new and highly effective channel of lobbying.

As a result, one and the same political and governmental institute performs completely different functions with respect to different regions, depending on the situation and political state of affairs.

However, it is impossible to reform the territorial governing in one instant, rather, reforming of a state system is a long and gradual process. We have enough reasons to expect the efficiency increase in the functioning of hierarchy of power, as the system of federal okruga is being established. Presidential representatives can basically become federal/state representatives in the regions/okruga and thus fulfil their own functions (i.e. those of representing the president) along with the tasks of the territorial state governance.

In this connection it would be extremely important to mention one more circumstance which is often neglected by practitioners and observers. Creating effective interaction mechanisms between the state and society, and pro-

viding the president's feedback to the people would be another highly important task of federal/PolPredy. In such sense, the institution of PolPredy must agree with its title, that is, to represent the President of the Russian Federation on a certain territory, to help the society and individual citizens solve those problems, which they are not capable of solving on their own. Nevertheless, it seems that the major tendency in the development of okruga will be their transformation into the centers managing territorial development, and first and foremost – development of economy. The creation of okruga makes it possible to solve complex economic issues at an appropriate level, where the adequate rights and resources can be concentrated.

In particular, PolPredy can be granted a larger part of functions involving coordination and control over the implementation of the state social and economic policy, use of federal property and control over the federal budget funds. In the okruga, special measures and programs can be implemented aiming at raising external investments, improving the technologies of the industries, creating growth and innovation centers, developing small businesses and revitalizing farming.

Other options of district development (such as those stressing the law enforcement and control functions, or creating governing districts of various types (e.g. economic, judicial, school, electoral, militia, military, tax, prosecutions, etc.) which do not match the borders of federal subjects and of other district types) are considered less advantageous.

It should also be taken into account, that the creation of okruga was carried out without consideration of the country's economic divisions and regions' economic potentials. The number and structure of federal okruga should be specified further. Therefore, given that okruga continue evolving as centers of governance over social and economic territorial development, changing of structure and organization principles can be viewed as a long-term task. For instance, the districts can be organized differently in accordance with the territories' economic potential, which will permit to bring the system of federal okruga in correspondence with the objective economic and social zoning of the country, and with the peculiarities of organization in basic economy branches, as well as in transport and social infrastructure. The reform aimed at creation and development of okruga system can be viewed as a first step of the administrative territorial reform in the long term.

Nowadays, as it has happened in our national history not once, the vitally important task is to mobilize the Russian territories. But "to mobilize the territories" does not only mean to unite them or to strengthen the hierarchy

of power. It also means to perfect the system of governance, and to create a completely new quality out of separate elements and parts. The federal districts and the institution of the President's PolPredy serve as the crucial, if not the key instrument of the state policy in this field.

Aleksey Avtonomov\*

### The principle of subsidiarity and Russian federalism

The principle of subsidiarity has been discussed for a long time, but up to the end of the 20th century it was regarded as a desirable, rather than an obligatory/mandatory principle. Therefore for a long time past it had not had any legal statement, though it was mentioned in the monographs, articles, and explanatory dictionaries. Nowadays the subsidiarity principle is being closely examined by researchers, politicians and practicing attorneys/lawyers and starts acquiring legal expression/meaning. In Russia the subsidiarity principle is known mainly to people with foreign experience. In the Russian legislation there is only one similar term – “a subsidiary liability”, which denotes additional public legal liability of individuals (physical and legal) legally connected with a debtor in a certain way. However, both terms “subsidiarity principle” and “subsidiary liability” were derived from the same Latin word “subsidiaries” – meaning “additional, reserve, secondary”. Since the principle of subsidiarity is only now being introduced into the Russian political and legal lexicon, it would be reasonable to trace the foreign traditions regarding this principle and then dwell on its applicability in the Russian case.

The subsidiarity principle has recently acquired increasing significance (first of all in Europe) when distributing the responsibility spheres among various levels of public authorities. The principle implies that questions which can be solved at a local level should not be transmitted to higher sources of power. This principle also refers to relations between social and power institutes, i.e. the power organs should only then intervene in the course of matter, when citizens and their communities are not capable of solving the problem on their own. Additionally, the subsidiarity principle in relations between the institutions of civil society and the state became fixed in the constitution in the very end of the 20<sup>th</sup> century. Thus, in Portugal in the course of constitutional revision the subsidiarity principle was included in the text of the Portuguese Basic law<sup>25</sup> as the basis for relations of nongovernmental, non-commercial organizations and bodies of public authority.

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<sup>25</sup> *See.: Constituição da República Portuguesa. Lisboa. 1999.*

It is admitted in Europe that the classic definition of the subsidiarity principle in its modern understanding belongs to the Roman Pope Pius XI, who mentioned it in his encyclicals “*Quadrogessimo Anno*” (May 15, 1931): “It would be unfair and at the same time very annoying/disappointing to break the social order depriving the local level associations/communities of the functions, which they are capable to execute themselves, and to entrust their execution to a larger group of more highly ranked individuals”<sup>26</sup>. The ideological sources of this principle can already be found in medieval European social philosophy, but the actual embodiment of this principle was stated only in the second half of the XX c. At the same time D. Sidjanski thinks, that the subsidiarity principle was put into practice back in the times of the Swiss confederation<sup>27</sup>. The principle of subsidiarity has found its reflection (if not literally, then at least figuratively) in a number of the international acts adopted by Council of Europe, such as the Charter of local self-government, ratified by Russia in 1998.

The subsidiarity principle played an important role in the course of the European integration<sup>28</sup>. It is known, that for the first time this term was officially used in 1975 in the decisions of the European Union Commission. Then, proposed by the European parliament in 1984, the principle became one of the major principles in the European Union system. Later, it is included in documents on the environmental protection as a part of the Single European Act. In 1989, the principle of subsidiarity was pledged in a charter of the basic social rights of the working people in the European Community. The subsidiarity principle was also taken into account in the course of the preparation of the Maastricht Treaty.

Thus we see that the significance of subsidiarity principle allows for it to be used beyond federal building. At the same time, the federalization of the European Union placed this principle at the forefront in the course of integration in Western Europe. According to G. Delore “in each federal system similar to the European Union, the subsidiarity principle serves as a constant counterbalance to mechanisms of oversaturation, which tend to

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<sup>26</sup> *Quadragesimo Anno. Actae Apostolicae Sedis. XXIII. 1931. P. 203. Paragraphe 126-127.*

<sup>27</sup> *Sidjanski D. Federalistic Future of Europe. From the European Commonwealth to the European Union. Moscow, 1998. p.241.*

<sup>28</sup> *Topornin B.N. On the fundamentals of the law of the European Union. European Law. Moscow, 1998.*

overload the central authority in the complex world”<sup>29</sup>. The application of this principle requires to take into consideration first of all the authorities’ ability to efficiently solve federation’s problems under concrete historical conditions. The distribution of competencies between federation and its subjects is usually a rather complicated and responsible issue, which ensures the functioning of a federal state. It is not surprising that in the course of such distribution and adoption of corresponding constitutional acts an intense political struggle began. For instance, in the course of work on the Brazilian Constitution of 1891 (which was supposed to codify the reorganization of a unitary monarchy into a federal republic), contentious debates on the balance of rights and authorities between the federal center and the local bodies of power occurred.<sup>30</sup> In 1993 a sharp polemic took place on the problems of federalism at the Russian Constitutional Council. One of the major problems at that meeting was the question of adequate distribution of powers and authorities between the federal center and its subjects. Even earlier than that, in spring of 1992, the so-called Federal agreement (actually three agreements) was signed, which dealt exclusively with the distribution of powers and authorities between federal and regional bodies of power. Special attention can be paid to the fact that the agreement, although referred to as federal, was not indeed declaring the start of federalism in Russia (while federal agreements are usually signed at the creation of the federation), since the federal system had already been declared much earlier, and the majority of politicians believed in its existence. The Federal Agreement of 1992 was included in the 1978 Constitution of the Russian Federation as an appendix, constituting an integral part of the Russian Basic law<sup>31</sup>. It demonstrates the significance of the distribution of power between the Russian Federation and its subjects which would be adequate for the country’s needs. And the subsidiarity principle becomes ever more frequently used in modern Europe to define the powers and authorities between organs of power acting on different territorial levels.

As has already been mentioned, the subsidiarity principle was codified in the Constitution in the 1990s. As far as federal building goes, it had first been codified in Germany. In 1992 the new edition of the Article 23 was

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<sup>29</sup> Delors J. *Le nouveau concept européen*. P. 1992. P. 169.

<sup>30</sup> See.: Andrade P. de, Bonavides P. *História Constitucional do Brasil*. Brasilia. 1988. P. 226-227.

<sup>31</sup> *The Constitution (the Main Law) of the Russian Federation – Russia*. Moscow, 1993.

included in the basic Law of Germany (the previous<sup>32</sup> one was cancelled in 1990 because of the reunification of Germany), and one of its the provisions stated the following: “Aiming at the accomplishment of the idea of a Unified Europe, the Federal Republic of Germany participates in the development of the European Union, which is bound to preserve the principles of a democratic, legal, social and federal state and the subsidiarity principle, as well as to guarantee the protection of the basic rights the essence of which coincides with those in the Basic Law.”<sup>33</sup> The subsidiarity principle is regarded with special care in modern Germany. However, some German authors express their fears concerning how the given principle will work in the European Union during its federalization if it is applied to both unitary and federal states (Germany, Austria, Belgium).<sup>34</sup>

So, the subsidiarity principle can play a positive role in these specific conditions in the delimitation of powers and authorities between the public authorities of various federation levels as well as between central and local authorities. The importance of this principle grows in the conditions when the reorganization of the federative relations meets the needs of development of the society and state. Thus it is necessary to agree with the well-known lawyer S.A. Avakyan, that “basically, the question of distribution of authorities cannot be considered solved once and for all in the federal state.”<sup>35</sup> In this connection, it seems that the construed principle is also applicable to some redistribution of authority spheres of between federation and its subjects, when there happens modernization of the federative relations without essential institutional reorganizations, as it is, for example, the case with the realization of ideas of a cooperative federalism. At the same time the subsidiarity principle is important during the preparation of juridical acts which are supposed to legally incorporate the distribution of the terms of reference and authorities between federal public authorities and public authorities of the subjects of Federation. When the act is approved and has been enforced, it is the provisions of the act that are applied. Thus, the use of the subsidiar-

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<sup>32</sup> *The old version of the Article 23 see: The Main Law of the Federative Republic of Germany//Constitutions of the bourgeon states. Moscow, 1982. p.178.*

<sup>33</sup> *The Main Law of the Federative Republic of Germany// Constitutions of the EC states. Moscow, 1997, p. 188.*

<sup>34</sup> *See, example, Lehbruch G. German Federalism, the subsidiarity principle, and the European Union. Paper for the 1st Conference on cooperative federalism, globalization and democracy. Brasilia, May 9-11, 2000. P. 7.*

<sup>35</sup> *Fundamentals of the theory and practice of federalism. Leowen, 1999, p.99.*

ity principle does not mean that every time a question arises, they start to clarify at what level of public authority it can be solved. In the same way, the subsidiarity principle does not imply, that by virtue of discrepancies between the subjects of the Federation; for example, one and the same question common for all federal subjects can be solved differently by federal public authorities or by state authorities of the subject of federation. The subsidiarity principle is necessary, first of all, to establish the basic criteria of reference for any particular question of governance by the federation or its subjects, public authorities or local authorities at adoption or change of the constitution or at adoption or change of the laws, dividing the terms of reference or competency between the federal bodies of the state and the bodies of the subjects of the federation, between public authorities and local self-government authorities.

The problem of division of the terms of reference between Russian Federation and its subjects as well as the distribution of competency between federal public authorities and public authorities of the subjects of Russian Federation is still urgent in Russia. Particularly vital is the problem of distribution of competency between different levels of public authority in objects of joint management of Russian Federation and its subjects. The case is that in the Article 72 of the Constitution of Russian Federation, legislation, questions that can be attributed both to the legislative sphere and to sphere of the executive authority, and executive questions are all regarded as authorities. It is not clearly explicit in Article 72 of the Constitution how authorities should be distributed and brought to action on questions of joint governance between the Russian Federation and its subjects. Foreign experience gives us various examples of more or less successful distribution of powers of various public authorities in the areas which can be referred to as joint governance. For example, the Constitution of Austria, along with the exclusive competency of federal and land authorities, fixes a number of questions which are under federal legislation; questions on which the Federation accepts the basic laws; however, the executive authorities are distributed between federal and land bodies, and more concrete laws and executive activity are referred to the land authority. In the Article 72 of the Constitution of the Russian Federation, it is possible to stress the questions which require federal legislation and the differentiation of executive activity between the Federation and its subjects; questions on which the Russian Federation can limit itself only to adoption of the fundamentals of legislation, having kept for the

subjects the right of adoption of definite laws and the execution of the laws (preserving for the Federation the right to control the execution of principles fixed in the fundamentals of legislation), and there are questions on which it is necessary to differentiate authorities of the executive bodies of the Federation and its subjects.

At the present time, many branch federal acts are adopted which, to a certain degree, realize differentiations on these or those questions of joint governance, but, unfortunately, in many respects it is done without any system. To some extent, the agreements concluded by federal state bodies and bodies of the subjects of Russian Federation were aimed at such differentiation. But not all formulations were successful in the agreements. Sometimes, subjects of Russian Federation interfered with the sphere of federal authority; sometimes, the Federation appropriated to itself separate authorities of the subjects of Russian Federation. Besides, the agreements were frequently organized in an individualized manner; i.e., they emphasized the regional specificity. The latter also prevented from systemically differentiating the authority spheres between the Russian Federation and its subjects.

Thus, it is of vital importance to evenly and precisely distribute authorities between the center of Russian Federation and its subjects. And it is possible to do it not only by amendment of the current Constitution of Russian Federation, but also by adoption of the special federal act. The subsidiarity principle could be fruitfully used in the course of such a federal act's development.

Chapter II.  
**Status of Russian Federation Subjects**

Shakir Yagudin\*

### **Peculiarities of Republican Status in the Russian Federation**

After ten years of reforms in Russia's state system, we can state that the regions and the federal center view the above-mentioned problem differently.

Moreover, people in the federal center do not have any unified approach to federalism - every ministry or department having their own views of things, including the simplest ones. For example, Russia's General Prosecutor's Office sent a letter dated September 17, 1999 signed by Acting Prosecutor-General V.V.Ustinov to the Federation Council Chairman "On the State of Legality in Passing Legal Acts by Bodies of State Power in the Subjects of the Russian Federation." It notes, that the General Prosecutor's Office sent draft requests to the Constitutional Court to look into the constitutionality of the following norms:

Constitution of the Republic of Ingushetia that attributed juridical issues to the republic's authorities;

Constitution of the Republic of Komi that attributed the issues of suspending laws and/or other normative legal acts of the Russian Federation, to the republic's authority;

Constitution of the Republic of North Osetia-Alania that proclaimed this subject of the Russian Federation a sovereign state, etc.

Even a brief analysis of the above-mentioned issues is a testimony to the fact that people in Russia's General Prosecutor's Office are either unable or unwilling to understand the political and legal foundations of a republic as a state, secured in Article 5 of the Constitution of the Russian Federation, and do not look into the provisions of Article 66 of the Constitution of the Russian Federation saying that the status of a republic is determined by the Constitution of the Russian Federation and the Constitution of the given republic. Those provisions are basic and fundamental constitutional norms that should be used as guidelines by everybody, including the federal lawmaker, the General Prosecutor's Office, the Ministry of Justice, the Ministry of Nationalities, etc. However, those departments continue to treat republics

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the way they used to treat former autonomies, and still try to take all the decisions on their behalf in Moscow.

However, it was back in 1990 when the republics renounced their autonomous status, and that historic step has been reflected in the Constitution which no longer calls them autonomous republics. This fact means that the republics had been elevated to a higher level of statehood, to a qualitatively new status reflecting the new realities of a new Russia, and a different level of democracy in the country, as well as emerging political and socio-economic approaches to solving the problems of the country's development. That is exactly what the above-mentioned federal structures are reluctant to take notice of.

In their capacities of states, the republics have their own sovereignty - an ability to independently and freely resolve the issues of their domestic life and external relations. To resolve, undoubtedly, as part of and with due account for the federation's constitutional foundations and general principles. And here another problem is looming. Many republics voiced their firm determination to behave exactly like that, having adopted in 1990, Declarations of State Sovereignty. Sovereignty is a qualitative feature of a country. A country without sovereignty is fictitious and that is beyond any doubt. Because it is a reality of life that there are states within states not only in Russia but on the post-Soviet space as well, and they are numbered by the dozen.

A republic as a sovereign state is vested with a whole body of state powers comprising the three branches of the legislative (representative), the executive and judiciary. Under the Soviet law, even autonomous republics were not refused a system of judiciary organs. They were also elected in the republics. Constitutions of many republics, including Tatarstan and Bashkortostan have traditionally retained from those times sections regulating the judiciary branch and judiciary bodies system. As we can see, the problem is not Ingushetia alone. The problem is a lack of conceptual and theoretical discussion of the issue of a republic's status and the non-constitutionality of the federal constitutional law of December 31, 1996 "On the Judiciary System of the Russian Federation" that unilaterally took the judiciary system away from the republic's power. And that took place in the presence of agreements between individual republics and the Russian Federation. Such an approach undoubtedly hinders a progressive development of federalism in Russia giving rise to unnecessary tension.

As for the provision of the Komi republican constitution which attributes suspension of laws and/or other normative legal acts of the Russian Federation to the authority of the republic, everything in that case is not as simple as it is seen by the General Prosecutor's Office. This provision is directly based on Article 76 of the Constitution of the Russian Federation which says that in case of a contradiction between a federal law and a normative act passed by a federation subject on issues of its authority, the Russian Federation subject's normative act has the upper hand. But somebody has to state the above contradictions and to legislatively secure the supremacy of the republican laws. It is this goal that is being achieved by the Constitution of the Komi Republic. It goes without saying that the head of the republic, its President resolves this issue expeditiously, but it would be better if the job was done by the Parliament. Such measures could be taken today on many federal laws.

As we can see, a lot of contradictions between the republics and the federal center in matters of the constitutional and even the current law are sometimes artificial and could be easily resolved by a correct and objective approach of determining the status of a republic as that of a state.

I must remind that the status of a republic as that of a state is secured in Article 5 of Chapter 1 of the Constitution of the Russian Federation, that forms, as everybody knows, the fundamentals of Russia's constitutional system and cannot be reconsidered by the Federal Assembly. Unfortunately, a number of federal constitutional laws, federal laws, let alone lower-level acts take no account of and sometimes ignore this fundamental constitutional provision, thus being at odds with the Constitution of the Russian Federation. Among them are such laws as the law on judicial system, on prosecutor's office, on naming geographical objects, on main guarantees of electoral rights, etc. The task of the federal lawmaker is to reconsider such lawmaking practices.

The status of a republic as a state is given more detail and development in republican constitutions. Thus, for example, ideas of sovereignty are developed from constitutional and legal viewpoints in the constitutions of the republics, as well as in other legislative acts, to various extents in different republics. In the Constitution of the Mari-El Republic, there is not a single word about sovereignty, despite the fact that the republic had adopted a Declaration of State Sovereignty and there are Constitutions of Tatarstan and Bashkortostan where this issue is defined in a most complete way.

The status of the republics is determined by their constitutions in a non-uniform and rather individual way. Such a practice of implementing the right for peculiarity and individual diversity proceeds directly from the Constitution of the Russian Federation. That kind of practice is constitutional and calls for a most attentive approach to the status of each republic and to the problems of taking it into account and implementing it, first of all, on the federal level.

The fact that in the Russian Federation Constitution there is no mention of certain aspects of the republican status as a state, for instance, of its state sovereignty, does not necessarily mean that republics should be denied such aspects in principle, and that such aspects are at odds with the Russian Constitution. That is why profoundly unconstitutional and erroneous are assertions that are pretty common both in the practice of state construction and in theoretical literature, that the fact that some aspects of statehood in the republics are not envisaged by the Constitution of the Russian Federation, makes them unconstitutional.

Contradictions are virtually programmed in the very Constitution of the Russian Federation of 1993. It does not reflect the state sovereignty of the republics proclaimed long before the Constitution was adopted, as well as the nature of Russian federalism based on agreements and the constitution, and some other ideas, for example a possible status of an associated state. In principle, the Federal Constitution should reflect all those ideas, which would eliminate the majority of today's problems.

The legislative formalization of certain elements of republican status is made not only in the constitutions but in the Federal Agreement and in bilateral agreements between republics and the Russian Federation. That was the road taken by the practice of federal construction in Russia. Such kind of practice gives more legal possibilities of allowing in a concerted way for republics' peculiarities on the federal level.

Tatarstan is a sovereign state in line with the Constitution of the Republic of Tatarstan and the Agreement between the Russian Federation and Republic of Tatarstan of February 15 1994 "On Division of Subjects of Authority and Mutual Delegation of Competence between the Bodies of State Power of the Russian Federation and Bodies of State Power of the Republic of Tatarstan", as well a subject of international law associated (united) with the Russian Federation by the Constitution of the Russian Federation, Constitution of the Republic of Tatarstan and the above-mentioned Agreement.

Thus, the status of a republic in the Russian Federation can be fully determined only by a total number of documents: the Constitution of the Russian Federation, the Constitution of the republic and Agreement between the Russian Federation and the republic or another federation subject within the context of the current legislation. The assessment of the status should, naturally, be a comprehensive one. In doing so, we should proceed from a rock-solid principle of federal constitutional policies that a republic is a state within a state. This guideline dictates that each of the republics and other federation subjects has its own “legal face” which is the case in real life, and taken as a whole, they make up a complex mosaic of Russian federalism.

The viability of the federal relations that have come into existence over a number of years are proven by life, and they form the real Constitution of Russia, which Russia’s formal Constitution should be brought in line with. Until those legislative hurdles have been removed, Russia will make no progress, while any settlement of the piled-up problems by force will not make anyone better-off.

Alexander Sergunin\*  
**The Regional Factor in Russian  
Foreign Policy: Legal Aspects\*\***

The notable part played by the regions in the formulation and implementation of the Russian Federation's foreign policy in the post-communist period is a fact beyond any doubt. Especially visible is the impact of federation subjects in the sphere of external-economic and humanitarian ties.

From the viewpoint of international law, the Russian Federation is a complex federal state. In such cases, relations between the center and federation subjects are determined by the constitution and/or agreements between them. Under the Russian Federation Constitution (Article 71, paragraphs k, l, m, n), the majority of foreign- and defense-policy issues are within the sphere of exclusive authority of the federal center: foreign policy and international relations, international agreements, issues of war and peace, external-economic relations, defense and security, military industry, the setting of procedures for the selling and buying of weapons, ammunition, military equipment and other materiel, delimitation and protection of state borders, of territorial sea and airspace, and of exclusive economic zones and the continental shelf.<sup>36</sup>

Within the sphere of joint authority is the coordination of international and external-economic ties of federation subjects and implementation of international agreements by the Russian Federation (Article 72, paragraph 1, o). In paragraph 2 of the same article, it is especially emphasized that those provisions are equally valid for all types of federation subjects: republics, territories, regions, cities of federal importance, autonomous regions and autonomous districts.<sup>37</sup> In other words, all federation subjects have equal rights and equal status in the sphere of international relations.

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<sup>36</sup> *Constitution of the Russian Federation. Moscow. Yuridicheskaya Literatura, 1993, p. 27-28.*

<sup>37</sup> *Ibidem, p. 29-30.*

Article 76, paragraph 4 says that federation subjects can execute their own juridical regulation, including the passing of laws and other acts.<sup>38</sup> Some specialists and regional leaders have interpreted this provision of the Constitution as a right for federation subjects to pass their own legislation in the sphere of international activities as well.<sup>39</sup>

Assessing the significance of the Russian Federation Constitution for the regulation of international activities of the regions, it should be noted that this document contains no detailed description of federation subjects' authority. The language used in that document is not always clear as to what provisions give ground to discrepancies in interpreting the text of the Constitution. Thus, the correlation of the notions of "international ties" and "international economic ties" is unclear. Are they independent of each other, or do they have something in common? Should we perceive as international ties everything that does not come within the sphere of external-economic activities: educational and cultural contacts, twin towns, tourism, etc.? Or is the first notion wider than the second one, and does it include external-economic activities? What is the specific meaning of "coordination" of those ties: keeping the federal government informed postfactum about international contacts, or initial preparation of international projects together with the center, or rigid and constant control from Moscow over all kinds of international activities in the regions or, perhaps, something else? From the text of the Constitution it is unclear whether the regions have a right to set up their own representation offices abroad and host foreign representations at home. If the answer is "yes," then what kind of representation offices, trade, diplomatic or consular, can they legitimately establish or allow to be established on their territory? Can federation subjects sign agreements with foreign countries and/or with their constituent parts or not? Is not paragraph 2 of Article 72 that proclaims equality of Russian Federation subjects at odds with Article 5 where republics, unlike the other federation subjects, are called states?<sup>40</sup> There is no answer in the Constitution to those or to a number of other questions.

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<sup>38</sup> *Ibidem.* p. 31.

<sup>39</sup> Kurdyukov, G. *Constitution of the Republic of Tatarstan and International Law. // Monitoring of the legislation of the Republic of Tatarstan (number 1), special edition of "Panorama-Forum", Kazan, 1999, No. 20, p. 21; Ignatenko, G.V. International and Legal Status of Subjects of the Russian Federation// Russian Juridical Journal, 1995, No. 1, p. 9, 11.*

<sup>40</sup> *Constitution of the Russian Federation...*, p. 25.

It should be noted that not only the Russian Constitution but also similar documents of other federal states (including those that are considered paragons of democracy) suffer from the same drawbacks and give no clear-cut division between the external-economic authorities of the center and federation subjects. Thus, the US Constitution of 1787 does not give any description of states' rights in the sphere of international activities. On the contrary, a prohibitive tone prevails in that document: "No State shall enter into any Treaty, Alliance, or Confederation," "No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports," "No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay".<sup>41</sup> It is noteworthy that relations between the federal government and states in the field of foreign policy were regulated by Article 1, where the authority of the US Congress were described and not by Article 4, which is especially devoted to federal-state relations. At the same time, today, nobody will entertain such a hazy idea as to blame the United States for a lack of democracy or well-developed federalism. Moreover, such provisions in the US Constitution never prevented the states from actively developing economic and humanitarian relations with foreign countries

It is obvious that stable democracies find ways to resolve problems of inadequacies in the constitutional law or in its certain provisions which become obsolete. One of the most common ways of adapting the law to modern conditions is to adopt federal legislation developing and specifying certain constitutional provisions. In the United States, the Supreme Court on more than one occasion has had to handle cases related to specifying the authority of the federal government and the states in the international sphere. For example, in 1968, the US Supreme Court, ruled in the case of "Sherning vs. Miller" to the effect that all state laws obstructing the implementation of US foreign policy have to be repealed.<sup>42</sup>

A method of this sort is also acceptable and natural for Russia; however, the solution to this problem has been aggravated by a number of circumstances.

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<sup>41</sup> *The Constitution of the United States of America // Lowi T., Ginsberg B. American Government: Freedom and Power. New York/London: W.W. Norton & Company, 1990, p. A18.*

<sup>42</sup> *Makarychev, A.S., Makarycheva M.G. International Activities of Russian Regions: Causes, Possibilities, Hurdles, p. 160.*

First of all, many regional elites have chosen external-economic issues as a sphere of rivalry with Moscow and have exerting pressure in this realm to bargain for additional privileges for themselves. Thus, in the first half of the 1990s, the leaders of the Kaliningrad Region actively used methods of pressure to set up a special economic zone in the region. Governors of some Far Eastern territories and regions had conflicts with Moscow over the transfer of certain territories to China under the Sino-Soviet treaty of 1991. Such kind of confrontational approach did not facilitate a speedy and rational compromise between the center and federation subjects.

Second, for a number of regions (and not only those located on the border), increasing international cooperation was a means of self-identification and self-assertion. Specialists note that a territory can only recognize itself as an independent political entity within a context of well-developed international ties among other things.<sup>43</sup> Such ties facilitate the formation of an adequate self-assessment, give an experience of political positioning, and increase the region's status in the eyes of both its population and the federal government. At the same time, large conflicts brew behind such processes, since one can engage in self-assertion ad infinitum, but at a certain stage it inadvertently brings regions into conflict with the center.

Third, the Russian Federation Constitution of 1993 was not adopted in a vacuum. Over almost two years of their independent existence, the regions had time to pass their own constitutions and laws regulating their international activities. Those documents gave different definitions of the regions' general status, as well as their authority in the foreign-policy sphere. Thus, Tatarstan and Bashkortostan constitutionally proclaimed themselves not only as states but even as sovereign states. In line with international law, sovereignty supposes being a subject of international law. In its turn, the latter includes legal capacity (ability to exercise rights and fulfill duties), independent legal capacity (ability to independently exercise those rights and fulfill those duties) and delict capacity (ability to bear responsibility for one's own actions and conduct).

In Article 61 of the Constitution of the Republic of Tatarstan, its being a subject of international law is especially emphasized: "The Republic of Tatarstan is a sovereign state, a subject of international law, associated with the Russian Federation-Russia on the basis of the Agreement on the Mutual Delegation of Powers and Authorities." Moreover, as is stated in Article 62

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<sup>43</sup> Borisov S.V. *Foreign-Policy Activities of Russian Regions as Attribute of Their Political Self-Identification // What Do Russian Regions Want? Edited by A.Malashenko, Moscow, 1999, p. 13-14.*

of the Constitution of Republic of Tatarstan: "The Republic of Tatarstan enters into relations with other states, concludes international agreements, exchanges diplomatic, consular, trade and other representatives, participates in activities of international organizations guided by the principles of international law."<sup>44</sup>

Being a subject of international law is also emphasized in the Constitution of Bashkortostan: "The Republic of Bashkortostan is a sovereign democratic state ruled by law, expressing the will and interests of the whole multi-national people of the republic.... The Republic of Bashkortostan possesses supreme authority on its territory and independently determines and implements its domestic and foreign policy."<sup>45</sup> In line with those constitutional declarations, a law "On International Agreements of the Republic of Bashkortostan" was passed December 23, 1992, that regulated procedures for the preparation and conclusion of international treaties by that republic. A similar federal law was only passed in 1995.

The Constitution of the Republic of Tuva goes still further than the constitutions of both Tatarstan and Bashkortostan, proclaiming a possibility of secession, that is, its right to secede from the Russian Federation. It also contains a provision that is clearly at odds with the Constitution of the Russian Federation that gives the Supreme Khural of Tuva the right to resolve issues of war and peace.<sup>46</sup> The Constitution of Karelia secured the right to changing its status on the basis of the people's will.

The Constitution of the Russian Federation adopted in 1993 could not but give rise to numerous collisions between the federal and regional legislation on international problems. It would have been a logical step to bring local legislation in line with the Constitution of the Russian Federation. However, since the provisions of the Constitution itself are so unclear, and the center has not real leverage against the autonomously-minded regions, that has not been the case, and the legislative confusion in regulating the federation subjects' international relations is still there.

At the same time, it is important to note that the legislation of Russian Federation subjects in a number of cases was running ahead of the federal laws and even gave an example for the center in formulating the similar laws

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<sup>44</sup> *Constitution of the Republic of Tatarstan. Kazan, 1997, p. 3-55.*

<sup>45</sup> *Rights of Man and Citizen in the Republic of Bashkortostan. Collection of Papers. Ufa, 1998, p. 21.*

<sup>46</sup> *Sarycheva, I.A. Disintegration of Legal System - a Threat to Russia's Constitutional Security // Federation, 1997, No. 4, p. 129.*

on the federal level. Thus, a law “On International and Inter-regional Agreement of the Nizhny Novgorod Region” passed by the Nizhny Novgorod Legislature in 1995 largely anticipated the Russian Federation law of 1998 on coordination of the subjects’ international activities. Among other things, the law emphasized that the region independently concludes agreements on issues beyond the exclusive authority of the Russian Federation and the joint authority of the Russian Federation and its subjects. It was understood that subjects of federal states and territorial and administrative units of other foreign states would act as foreign partners for the region. The law also gave a clear-cut definition of a procedure for concluding, approving, suspending and terminating international agreements. The right to conclude such agreements was given to the regional legislature and administration.<sup>47</sup>

In a number of regions, (Moscow, Veliky Novgorod, Nizhny Novgorod, Tatarstan, Saint-Petersburg, etc.) progressive legislation was passed encouraging foreign investment, among other things giving an investor a complete exemption from paying local taxes until the project became fully profitable.<sup>48</sup> In other subjects (Saratov, Nizhny Novgorod), local laws give foreigners a greater freedom in using land plots than federal laws. Such legislation made the above regions attractive for foreign partners.

A fourth factor that hindered the formation of an efficient legislative basis in the sphere under discussion was the fact that from the very beginning of Russian state construction, the two above-mentioned principles of putting together a federation - through the constitution and through agreements - were mixed up. Historical experience shows that constitution-based federations (USA, Germany) are, as a rule, more stable and efficient than federations based on agreements. The latter are very often asymmetrical ones (their subjects have different statuses and rights), and there is a permanent struggle between the regions and the center to reconsider the terms of agreements. Nevertheless, even such federations are viable under certain conditions. However, the mixing of those two principles leads to a complete mess in the legal sphere and hence to internal instability in such a federation.

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<sup>47</sup> *On International and Interregional Agreements of the Nizhny-Novgorod Region: Legislative Assembly of the Nizhny-Novgorod Region, 1995.*

<sup>48</sup> *See, for example, legislation of the Novgorod Region: On Tax Privileges for Enterprises and Organizations Located in the Novgorod Region. Novgorod: Novgorod Regional Duma, 1994; Decree on Economically Favored Zones, December 27, 1996, Novgorod: Novgorod Regional Duma, 1996; Investment Climate of Novgorod Oblast. Novgorod: Novgorod Oblast Administration, 1999.*

This was exactly the kind of mistake that was made in Russia. At first, the Federal Agreement of March 31, 1992, was concluded. It proclaimed the principle of agreement in the composition of the federation (Tatarstan and Chechnya never signed this document). In the agreement, the republics were called states and presented as sovereign republics within the Russian Federation. The agreement said virtually that the subjects of the Russian Federation are independent participants in international and external-economic relations.

The Constitution of the Russian Federation of 1993 was subsequently adopted. It supported the supremacy of the constitutional principle for the federation, but it also allowed for elements of agreement relations. Thus, in Article 11, paragraph 3 of that document it was said: "Division of powers and authorities between the bodies of state power of the Russian Federation and bodies of state power of the subjects of the Russian Federation are implemented by the present Constitution, by Federal and other agreements on the division of powers and authorities."<sup>49</sup>

Since 1994, a process of concluding agreements began between individual federation subjects which turned out to be a concession by the federal center to regional elites that brought the agreement principle of federalism back to life.<sup>50</sup> The first to be concluded was an Agreement between the Russian Federation and Tatarstan which, in its second article, states that the bodies of state power of Tatarstan independently participate in international relations, establish relations with foreign countries and conclude agreements with them that are not at odds with the Constitution and international relations of the Russian Federation, the Constitution of the Republic of Tatarstan and the present agreement, participate in the activities of appropriate international organizations, and independently engage in external-economic activities.<sup>51</sup> The language of that document was more temperate than that of the Constitution of the Republic of Tatarstan. It was clear that it was generated through long negotiations and was a kind of a compromise. At the same time, it should be noted that under the Constitution of the Russian Federation, those authorities belong to the sphere of joint power (Article 72, paragraph 1).

It is also said in the agreement that the governmental entities of the Russian Federation and the Republic of Tatarstan jointly organize the econ-

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<sup>49</sup> *Constitution of the Russian Federation...*, p. 7.

<sup>50</sup> *A total of 50 agreements was concluded.*

<sup>51</sup> *See: Republic of Tatarstan. Road to Sovereignty. Kazan, 1999, p. 124-133.*

omy's preparation for mobilization, develop and manufacture weapons and materiel in Tatarstan, and sell weapons, ammunition, materiel and other military hardware. Under the Russian Federation Constitution, all of these items belong to the sphere of exclusive authority of the Russian Federation (Article 71, paragraph m.).

Under the agreement between the Russian Federation and Bashkortostan of August 3, 1994, the latter is granted the right to independently engage in ties with foreign countries in the fields of economy, science, culture and sports. The same rights were also practically granted to Moscow as a federation subject.<sup>52</sup> Under the agreements with Bashkortostan, Tatarstan, Kabardino-Balkaria and North Osetia, those federation subjects are entrusted with the protection of their state and territorial integrity. The Sverdlovsk Region and Udmurtia have a great deal of independence in exercising control over their military-industrial complexes and exports of weapons and military equipment. Despite the fact that such agreements between the center and the regions are, as a rule, accompanied by reservations to the effect that the federation subjects' international activities should not run contrary to the Russian Federation Constitution, federal legislation and Russia's international obligations, in real life, the majority of agreements are directly or indirectly at odds with the provisions of the Russian Constitution. The agreement on peace and principles of interrelations between the Russian Federation and Chechnya of May 12 1997 that contained just a few lines questioned the very sovereignty of Russia over Chechnya, because it vaguely said that the parties were obliged to build their relations in line with the generally accepted principles and norms of international law.<sup>53</sup>

Collisions between Russia's constitutional law and agreements on division of subjects of authority between the center and regions, on the one hand, and the local legislation on the other, lead not only to the disruption of a unified legal space in Russia and to conflicts between the federal and regional governments but also gave rise to envy between the regions and, hence, to rivalries between them. Those regions which had not concluded agreements with the center or had concluded less favorable ones blamed "the lucky guys" for sponging and Moscow for favoritism and connivance with regional "barons'" ambitions. A number of regional leaders said that they

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<sup>52</sup> *Federalism: A System of State Bodies and Practical Experience of Their Activities*. Moscow, MONF, 1998, p. 122-124.

<sup>53</sup> *Treaty on Peace and Principles of Interrelations between the Russian Federation and Chechen Republic of Ichkeria* // *Rossiyskaya Gazeta*, May 20, 1997, p. 3.

were in principle not inclined to enter into any agreements with the center, since, in their opinion, those agreements facilitate the country's degradation to a confederation. Those politicians think that under the Constitution, federation subjects have enough foreign policy authority, and those problems which do arise could be resolved on the basis of some additional federal legislation.<sup>54</sup>

The lack of clarity in regulating the regions' foreign relations could not but bother both Moscow and federation subjects. By 1995, Moscow gradually began to take the lead in putting together a new legislative basis in the given area. A federal law "On International Agreements of the Russian Federation" was passed July 15, 1995, that secured the participation of the regions in that sphere of foreign policy. Under the law, an international agreement should be discussed with a subject if it bears on issues under the subject's authority (Article 4, paragraph 1). It is also envisaged to submit a draft agreement (or its main provisions) to the subject to receive proposals from it if the agreement bears on issues of joint authority (Article 4, paragraphs 2). The subject can also be invited to participate in formulating a draft international agreement if it bears on its power or issues of joint authority (Article 3, paragraph 4). The subjects have the right to propose recommendations and proposals on conclusion, termination or suspension of international agreements of the Russian Federation (Article 35, paragraph 1; Article 36, paragraph 1). Finally, the subjects are obliged within the limits of their authority to implement international agreements of the Russian Federation (Article 36, paragraph 1).<sup>55</sup>

At the same time, the status of agreements concluded by the regions with foreign partners remained unclear. Can they be considered international agreements or not? If not, what is their status? The law gave no clear answer to those questions.

Despite all the discussions concerning the authority of federation subjects and the status of the international agreements concluded by the subjects, Russian regions are very active in that sphere. Tatarstan alone concluded over 50 agreements and contracts on economic, trade, scientific, technical and cultural cooperation with foreign partners including such Eu-

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<sup>54</sup> Author's interview with officers of the Economics Committee of the Novgorod Regional Administration, October 11, 1999.

<sup>55</sup> Romanova, O.Yu. *Regional Interests in the Context of National Ones: A Foreign-Policy Dimension/Region within federation*. Nizhni Novgorod: University of Nizhni Novgorod, 1999, p. 149.

ropean Union members as Germany, France, and the Netherlands as well as the government of the Land of Lower Saxony and the Autonomous District of Madrid.<sup>56</sup> The Republic of Tatarstan was the leader in signing (with the center's consent) a direct agreement with a foreign power - in June 1995 an agreement was concluded by Kazan and Ankara. By the midnineties, a total of 300 various international agreements were signed, the majority of which had been prepared with the help of the Russian Ministry of Foreign Affairs.<sup>57</sup>

However, some agreements were prepared without the participation of the Ministry of Foreign Affairs and caused a serious dissatisfaction on its part. Thus, the Russian Foreign Ministry expressed regret about the agreement between Kabardino-Balkaria and Abkhazia, which is formally a part of Georgia.<sup>58</sup> The trade agreement between the Kaliningrad Region and Lithuania was even annulled by the federal government in 1995 as running counter to Russian law.<sup>59</sup> Despite all those collisions, the development of agreements and ties with foreign partners turned out to be a very efficient instrument for the regions to increase their prestige in the international arena.

In due time, the federal center became aware of the possibilities of the foreign-policy activities of federation subjects. Among other things, Russian diplomats started inviting the regions' participation both in settling disputes and in developing stable good-neighborly relations with neighboring countries. For example, in 1998, representatives of the Kuril Islands were included into a delegation to the Russian-Japanese negotiations to conclude a peace treaty between the two countries. Representatives of the Far Eastern territories were invited to participate in Sino-Russian summits and participated in mixed commissions for demarcation of the border between the two countries.

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<sup>56</sup> Kurdyukov, G. *Analytical Review of the Law of the Republic of Tatarstan "On International Agreements of the Republic of Tatarstan," //Monitoring of the legislation of the Republic of Tatarstan (number 2), special edition of "Panorama-Forum", Kazan, 1999, No. 22, p. 14-15; Mukhametshin, F. Kazan for Real Federalism // Nezavisimaya Gazeta, February 15, 2000, p.4.*

<sup>57</sup> Matvienko V. *The Center and the Regions in Foreign Policy // International Affairs (Moscow), № 4, pp. 91-92.*

<sup>58</sup> Makarychev A.S., Makarycheva, M.G. *International Activities of Russian Regions: Causes, Possibilities, Hurdles...*, p. 159.

<sup>59</sup> Joenniemi P. *Kaliningrad: a region in search for a past and a future. Background paper prepared for the International Colloquium Kaliningrad. Future prospects of the region.* ' Ostsee-Akademie, Travemunde, 3-5 November 1996, p. 19.

Such kind of practices have also been used in other border regions such as Kaliningrad, Karelia, and Murmansk, though there are no territorial disputes in the relations with neighbor countries, or at least, their existence is not formally acknowledged by Russia. Thus, representatives of Kaliningrad took part in the formulation and the ceremony of signing an agreement between the Russian Federation and Poland on cooperation between the Kaliningrad Region and the northeastern provinces of Poland.<sup>60</sup> By March 2000, an agreement on cooperation between the Pskov Region and the Latvian port town of Ventspils was prepared that envisaged development of transit business, simplification of customs procedures and setting-up of joint ventures. Experts have unanimously assessed those regional projects as useful for unfreezing Russian-Latvian relations, which deteriorated after a series of unfriendly acts committed by Latvia in 1999-2000.<sup>61</sup>

It is interesting to know that regions participate in international activities not only individually but also collectively - through interregional associations. For example, in February 2000, participants in the "Siberian Agreement" Interregional Association (SAIA) comprising leaders of 19 subjects of the Russian Federation discussed along with domestic policies such international issues as strengthening the border between Russia and Mongolia and construction of a highway to China.<sup>62</sup> SAIA participants actively support plans for a further integration with Belarus. They account for 20% of Russian trade with Belarus. SAIA set up the Siberian Youth Movement for "The Union of Russia and Belarus".<sup>63</sup>

As everybody knows, the efficiency of international relations of subjects of a federal state is increased when they have their own representation offices in foreign countries, with foreign representations being opened in the regions. It is of no small importance also from the viewpoint of the regions' prestige. Thus, a lot of Russian Federation subjects tried to have their own representation offices abroad and foreign ones on their own territories. However, it very soon became clear that far from all the regions have the necessary financial and personnel resources to do so. Under the federal law, those representation offices should be financed by regional

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<sup>60</sup> Matvienko V. *The Center and the Regions in Foreign Policy*, p. 92.

<sup>61</sup> *Nezavisimaya Gazeta*, March 2, 2000, p. 12.

<sup>62</sup> Pronin, Yu. *People of Siberia Give the Oath of Allegiance to Putin* // *Nezavisimaya Gazeta*, February 18, 2000, p. 3.

<sup>63</sup> Nechipurenko, V. *Siberian Agreement with Belarus* // *Rossiyskaya Gazeta*, October 16, 1999, p. 4.

budgets. In due time, regions started steering a more pragmatic policy which was more relevant to their financial resources. Thus, for example, Tatarstan has 16 representatives and trade offices abroad.<sup>64</sup> The Nizhni-Novgorod Region can only afford one representation in the Land of North Rhein-Westphalia. In 1994, a Turkish General Consulate Office was opened in Kazan by decree of the Russian President.<sup>65</sup>

The regions are trying to develop relations not only with individual countries but with international organizations as well. For example, Tatarstan actively cooperates with UNESCO, UNIDO, the Congress of Local and Regional Bodies of Government of Europe, the Council of Europe, and is a member of the Assembly of Regions of Europe.<sup>66</sup> Russian Federation subjects are represented or actively participate in such regional organizations as the Council of Barents Sea/EuroArctic Region, the Arctic Council, the Council of Baltic Sea States, and the Black Sea Council of Economic Cooperation. New possibilities for the Russian Far East opened up when Russia became a member of the Asian-Pacific Economic Council in November 1998.

Along with regulating the regions' foreign agreements, the center tried to specify the authority of the federation subjects in external-economic activities. On October 13, 1995 the Law of the Russian Federation "On State Regulation of External-economic Activities" was passed which gave a clearer definition of the sphere of joint authority and the rights of the federation subjects. The following activities were put within the sphere of joint authority of the Russian Federation and its subjects:

- Coordination of the external-economic activities of the subjects, including export activities, so that federation subjects might get a maximum use of their export potential;
- Formulation and implementation of regional and inter-regional programs for external-economic activities;
- Receipt of foreign credits under guarantees of budget revenues generated by Russian Federation subjects, their use in external-economic activities and repayment;

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<sup>64</sup> Mukhametshin, F. *Kazan for Real Federalism...* p. 4.

<sup>65</sup> Knyazkin, S. *Analysis of Draft Law of the Republic of Tatarstan "On International Agreements of Republic of Tatarstan," //Monitoring of the legislation of the Republic of Tatarstan (number 2), special edition of «Panorama-Forum», Kazan, 1999, No. 22, p. 8.*

<sup>66</sup> Mukhametshin, F. *Kazan for Real Federalism...* p. 4.

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- Implementation of the Russian Federation's agreements in the field of external-economic activities which bear directly on the interests of the corresponding regions;

- Coordination of the subjects' activities on creating and functioning of self economic zones, border trade regulating.

- Information support for external-economic activities.

The law also stipulated a coordination mechanism for external-economic activities of the regions in the spheres of joint authority. The bodies of the executive branches of the subjects and the Russian Federation were entrusted with this function. Two main methods of coordination were envisaged: conclusion of international agreements by the Russian Federation bearing directly on the external-economic interests of the subjects and a mutual exchange of information.

The law puts the following rights within the authority of the subjects:

- to engage in external-economic activities on its own territory;

- to exercise coordination and control over external-economic activities by Russian and foreign persons;

- to formulate and implement regional programs for external-economic activities;

- to provide additional financial guarantees supplementing federal ones to participants in foreign-economic activities registered on their territories (at the same time, it was emphasized that the Russian Federation is not responsible for the additional guarantees given by its subjects);

- to provide guarantees and privileges for participants in external-economic activities registered on their territories only insofar as their responsibilities to the subjects' budgets and non-budget funds are concerned.

- to set up insurance and security funds in the sphere of external-economic activities to attract foreign loans and credits;

- to conclude agreements in the field of external-economic relations with subjects of foreign federal states and with administrative and territorial regions of foreign countries;

- to have their own representatives at Russian Federation trade missions in foreign countries financed from the budgets of federation subjects with a prior agreement from a federal body of the executive responsible for coordination and regulation of external-economic activities.<sup>67</sup>

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<sup>67</sup> *Rossiyskaya Gazeta*, October 24, 1995 p. 4.

In assessing the significance of this law let us note that, when compared with the Russian Federation Constitution, it gives a much more detailed description of the authorities and mechanisms for participation of the regions in external-economic activities. The attitude of the Russian Federation subjects to that law was generally a positive one.

After “order was established” in the sphere of external-economic ties, the center set out to establish control over the foreign political activities of the regions. As soon as Evgeny Primakov was appointed Minister of Foreign Affairs in February 1996, he started pursuing this goal. At his initiative, President Boris Yeltsin implemented decree No. 375 “On the Coordinating Role of the Russian Ministry of Foreign Affairs in Steering a Unified Foreign Policy Course by the Russian Federation.” Under that decree, regions were to inform the Russian Foreign Ministry of their international activities, including foreign visits of their official delegations and on foreign partners visiting them.

Another step towards the legal regulation of the regions’ international activities was a Law “On Coordination of International and External-economic Relations of the Subjects of the Russian Federation” of December 2, 1998 passed when Evgeny Primakov was already prime-minister. That document was aimed at making more concrete Article 72, paragraph “o” of the Constitution, which describes the areas of joint authority of the Russian Federation and its subjects. First of all, the law gave a definition of international and external-economic ties of the subjects of the Russian Federation, which meant ties with foreign partners implemented in the trade and economic, scientific and technical, ecological, cultural and other fields (Article 1, part 2). The Law also clearly defines the partners with whom the regions can enter into international ties: subjects of foreign federal states and administrative or territorial units of other foreign countries. The subjects can also participate in the activities of international organizations along with the bodies set up for that particular purpose (Article 1, part 1).

Article 10 of the Law prohibits the status of a diplomatic mission to be conferred on missions of the Russian Federation subjects in foreign countries and on foreign missions on the territory of a federation subject as well as consular and other diplomatic functions to be performed by those missions.

The Law also regulates the activities of the regions in the sphere of agreements concluded with foreign partners. It allows subjects of the Russian Federation to conclude agreements with bodies of state power of for-

eign countries with a prior consent from the Government of the Russian Federation, or with guarantees from the Government of the Russian Federation to support such an agreement (Article 8). The regions were given the right to engage in negotiations and to conclude agreements in the sphere of international and external-economic relations. However, the subject should well in advance inform the federal bodies of the executive on entering into negotiations with foreign partners, whereas drafts of such agreements should be submitted to the Russian Foreign Ministry for consent (Article 4). It was especially emphasized that “Agreements on Implementation of International and External-economic Ties Concluded by Bodies of State Power of a Subject of the Russian Federation are not International Agreements Regardless of Their Form, Name or Content” (Article 7).<sup>68</sup>

The Law also obliged the subjects of the Russian Federation to bring their normative acts in the sphere of international activities in line with the federal legislation. In the law of RF passed on the 24<sup>th</sup> of June 1999 “About principles and orders of differentiation of subjects of conducting and authorities between public authorities of RF and public authorities of subjects of RF” passing by the subjects its own legal acts on questions which are concerned to the subjects of common conducting was admitted till the moment of passing corresponding federal laws. But after these laws were passed the regions were demanded to adjust their legal base in accordance with federal law<sup>69</sup>.

That caused a well-predicted discontent on the part of the regions whose legal basis differed radically from the Russian Federation law. Among other things, the subjects asked the following question: if the subjects’ agreements with foreign partners on international external-economic activities are not international agreements, then what is their juridical nature?<sup>70</sup> The Law “On Coordination of International and External-economic Ties of the Subjects of the Russian Federation” denying those agreements any international legal status, at the same time does not give them any definition. A number of experts also pointed out to the fact that the new law interfered with the already established system of law of individual subjects of the Russian Federation, in particular, with the practice of concluding international agreements and of establishing consular and diplomatic ties.<sup>71</sup>

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<sup>68</sup> *Collected Legislation of the Russian Federation. Moscow, 1999, No. 2, p. 231.*

<sup>69</sup> *Rossiyskaya Gazeta, June 30, 1999, p. 3.*

<sup>70</sup> *Kurdyukov, G.I. Constitution of the Republic of Tatarstan and International Law, p. 21.*

<sup>71</sup> *Knyazkin, S. Analysis of Draft Law of Republic of Tatarstan “On International Agreements of Republic of Tatarstan.” p. 8.*

There were doubts about dates which were appropriated by the law of RF “About principles and orders of differentiation of subjects of conducting and authorities between public authorities of RF and public authorities of subjects of RF” for the harmonization of federal and region legislation. It was noted the 12 month to adjust in accordance the laws and other standard acts with federal law (p.3, art.32) and 3 years - all agreements about differentiation of subjects of conducting and authorities, functioning on the RF territory were not enough<sup>72</sup>.

Despite the federal law a number of regions not only had refrained from reconsidering their legislation but even passed new legal acts running contrary to the above laws of the Russian Federation. Tatarstan, for example, on July 14, 1999, passed its own Law “On International Agreements of the Republic of Tatarstan” which defends the rights of Tatarstan as a subject of international law and its right to conclude not only agreements but international treaties, which is in a clear contradiction with the Russian Federation Law “On Coordination of International and External-economic Ties of the Subjects of the Russian Federation.”<sup>73</sup>

On February 1, 2000, a decree No.91 was passed by the Government of the Russian Federation expounding the procedure for obtaining its agreement for a subject’s international and external-economic relations with foreign countries. It was stated that a corresponding decision by the Government of the Russian Federation is taken in response to a request from the bodies of the subject’s executive branch explaining the reasons behind those relations given a positive reaction from the Russian Foreign Ministry and the Ministry of Justice, as well as from other federal bodies of the executive branch according to their authority (the bodies were not specified in the decree).<sup>74</sup> The decree was seen by the regions as another step on the road towards curtailing their authorities. The pressure on the regions became especially hard during the presidential electoral campaign of 2000.

In May 2000 year the administrative reform of president V.V.Putin was started. It was focused on federal relations reforming in the country. One of the tasks of newly-appointed PolPredy of the president in federal regions became the adjusting the standard base of regions in accordance with federal

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<sup>72</sup> Mukhametshin, F. *Kazan for Real Federalism...* p. 4.

<sup>73</sup> Knyazkin, S. *Analysis of Draft Law of Republic of Tatarstan “On International Agreements of Republic of Tatarstan.”* p. 6-13.

<sup>74</sup> *Rossiyskaya Gazeta, February 10, 2000, p. 5.*

legislation. By the 2001 year this work was mainly completed and local legislative acts conflicted with RF Constitution and federal laws were abolished. Step-down of some regional leaders from the Council of Federation because of the reform of Upper Chamber of Russian parliament is also undermined the possibility to influence on the foreign policy of RF and to follow own international policy. The consequences of administrative reform hardly will be appreciated unambiguously.. On the one hand Russian legislative area (including the field of international activity) became more similar and integrated, disagreement in the sphere of foreign policy is fall back. But, on the other hand many regions(especially nation republics) were disappointed in rebirth of centralists tendencies. They took these changes as an impeach of credibility of Moscow, as unwillingness of center to develop the real democratic model of federalism.

In conclusion, we will note that the relations between federal center and the subjects of RF in the field of the international activity in the last 10 years resembled of pendulum's swinging: the balance by turns shifted now in favor of Moscow, now- in favor of regions. The juridical regulation of the regions' international activities has covered four stages in its development. On the first stage (1991-94), there was virtually no federal law to that effect, or it was too general (Constitution of the Russian Federation of 1993). The regions had to independently form their own legal basis to develop their international relations. The federal center had practically no control over the foreign policy and external-economic activities of the subjects of the Russian Federation. On the second stage (1995-98), the center made powerful efforts to develop the corresponding legislation and to step up the control over the regions' international relations. On the third stage (1998-2000yy.) the trend towards centralization of the subjects' external relations got stronger. On the forth stage, that started in spring 2000 and is going on so far the tendency to the balance forces shift in favor of the center was sustained by some actions both institutional (the concentration of power in the hands of presidential representatives (polpredy)) and legislative (adjusting local laws in correspondence with federal standard) pattern.

At present, there exists a rather fragile balance between the center and the regions, which actually favors the former in the sphere of legal regulation of the Russian Federation subjects' international activities. On the one hand, the federal laws passed in recent years have demonstrated Moscow's determination to interpret in more detail the constitutional provisions on the

subjects' foreign-policy authority and to establish a more rigidly centralized control over their activities on the international arena. On the other hand, a lot of subjects (especially republics) are in no hurry to react to the center's repeated demands to bring their normative acts in line with the federal legislation. It is not difficult to suppose that in case of slackening of federal center (as a result of new finance economic crisis as an example) the regional elite will try to gain revenge. The outcome of that long "tug of war" between the center and the regions is still unclear. We would like to hope that the disputed issues will be resolved as it is the case in a democracy by political and legal methods, not by force.

Enver Kisriyev\*

## **Resistance of Dagestan's Political Institutions System to the Creation of a "Unified Legal Environment" in Russia**

### ***Introduction***

When we say "*resistance*" we mean not the positions taken by certain political forces, movements, parties, or individual politicians in Dagestan. There is no such kind of *political resistance*, no matter how weak or barely visible it might be. Here we speak about a *system of political institutions* that came into existence in Dagestan over the last decade, which *resists* because of its very nature any demands from the center to bring them in line with the Constitution of the Russian Federation.

The system of political institutions in Dagestan is radically different from its counterparts that are common in Russia. It was put together as a result of some independent process when the center put no administrative pressure on Dagestan, as a result of active struggle between the republic's political forces. Political institutions of that largest and most multinational of all the Caucasian republics of Russia were formed as a reaction to a threat of disintegration that was fraught with such consequences for the whole region that the Chechen tragedy would seem no more than a link in a chain of similar disasters, and even not the biggest one.

Now, it happened so that the political structure seems to be "*inconsistent with civilized norms of law*". The idea is, that a structure of government could be put together through direct administrative efforts using some external pattern as a model. However, a mechanical shaping of political institutions from the outside can bring about serious changes in the nature of the political process in Dagestan. The political behavior of Dagestan as a subject of federal relations and as an independent factor in the geopolitical structure of the Caucasian region can change radically.

### ***The System of Political Institutions in Dagestan***

The recent history of Dagestan (the epoch of social transformations) can be subdivided into *two periods*: (1) a period that began about 1989,

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when the center lost control of the provinces and the country began to actively disintegrate, and (2) a period that started in the very recent time, when the center started to get back to direct administrative leverages to control the provinces.

The first period began in a situation when the Dagestani ruling elite that got used to doing everything by commands from the center had to deal with the groundswell of social movements that never manifested themselves in the past and had to take its own decisions. That task was made ever more complicated by the fact that against the backdrop of progressive disintegration of the vertical of power, the center “under perestroika” continued to actively initiate radical economic and political transformations from the top. By 1989, it became clear in Dagestan that Moscow is no longer in control of the republic as it had been the case over many decades of the communist regime, but rather provokes radical political changes.

All those novelties coming from the center were as unintelligible for the local leaders as they were lethal for them. The social problems broke free in the form of mass movements of protest and called for a solution. The newly opened opportunities for making a quick fortune and a blitz career brought about conflicts among the old leaders and between the old leaders and the nouveau riche who appeared overnight. And finally, the temptation to completely topple the old regime and seize the political power in the republic gave rise to radical political forces, mainly from the two extremes - the liberal-democratic and the Islamic ones.

Under those conditions of “political weightlessness” the Dagestani society begins to get structured in a new way in the process of its independent development, demonstrating the depth of its social and ethno-cultural peculiarities. It was during that very period of spontaneous development that a peculiar structure of political institutions began to gradually take shape in Dagestan, the structure that characterizes it now.

The political system that came into existence in Dagestan after the break-up of the Communist regime and was embodied in the republican Constitution of 1994, in the election laws, as well as in a number of unwritten rules and procedures of political behavior. It emerged because of internal, natural and very peculiar development, and largely corresponds to the peculiarities of the social and political structure of the Dagestani society. It was as a result of tough confrontations and complicated compromises between various political forces that were pretty fast to substitute the unified system of commu-

nist hierarchy. This social and political system still functions on the basis “*checks and balances*”, and a peculiar balance of forces. But the most important result of all those events was that the republic was able to form legitimate institutes of power that had successfully resolved a number of most important political problems, namely:

1) we managed to overcome the internal separatist movements and not to allow the republic to disintegrate;

2) to avoid mass inter-ethnic clashes and ethnic cleansing;

3) not to get dragged into border conflicts with the neighbors: Georgia, Azerbaijan or Chechnya. (A war against Chechen militants in August-September 1999 was not a result of Dagestan’s internal political strife. The best testimony to that is the unanimous reaction of the whole Dagestani society to that aggression).

4) not a single movement of any importance for “independence and sovereignty from Russia” was formed within the Dagestani society;

5) with all the importance of the religious (Islamic) factor in Dagestan (and no region of the Caucasus can be even compared to Dagestan in that respect) the republic managed to avoid any impact of any importance by Islamists on the political decision-making.

The process of preparing the Constitution of Dagestan reflected the political realities that came to life in the process of resolving ever-emerging problems. During the whole period of preparing the draft Constitution of Dagestan the key idea that set the direction for all the searches and caused the main disputes and differences, was the idea of “*nationalities’ rights*.” The general public and political figures, as well as expert members of the working group drafting the new Constitution spared no effort to come up with such a system of government in the republic that could give guarantees for the rights of all the peoples of Dagestan to “their own land” and “their own natural resources.” Another problem was to provide for a just representation of each nationality in the organs of supreme state power and in organizations dealing with material production, as well as education, science and culture. However, for quite obvious reasons it was impossible to reach a general agreement on issues like those. On the other hand, the top political leaders, who eventually decided (when they were able to reach an agreement between themselves) what kind of constitution Dagestan will have, were interested in such a system of government, that would exclude a chance for power concentrating in the hands of a single person. All those aspira-

tions have eventually resulted in such a system of political organization in Dagestan that is now threatened by a radical change.

According to the Constitution of Dagestan, the State Council comprising 14 people “cannot comprise more than one representative of the same nationality” (Article 88). Thus, the State Council, which is the highest executive body of state power in the republic, is at the same time a representation body of the 14 main nationalities living here.

It is considered that there are 14 “republic-forming” “Dagestani” nationalities that are still registered in acts of civil status of *nationalities*, which have their “roots” there, i.e. traditional rural population (1) Avars (about 28% of the republic’s population), (2) Dargins (over 16%), (3) Kumyks (13%), (4) Lezgins (about 13%), (5) Russians (7%), (6) Laks (over 5%), (7) Tabasarians (5%), (8) Chechens (about 5%), (9) Azeris (over 4%), (10) Nogais (1.5%), (11) Rutuls (about 1%), Aguls (about 1%), (13) Tsakhurs (about 0.5%) and Tats (less than 0.5%).

The members of the State Council are elected not by a popular vote, but by a special institution - Constitutional Assembly convened exclusively to do this job, as well as to amend the Constitution. It comprises whole parliament and an equal number of other members specially elected by representative assemblies of district and town bodies of self-government.

Members of the State Council cannot be parliament deputies, government members, or judges, but can combine their functions of the supreme executive power with a job of a prosecutor, a teacher, a chief or a member of joint-stock companies, or budget-funded organization or enterprises.

First of all, the Constitutional Assembly elects Chairman of the State Council by a secret ballot, and he, according to the Constitution of Dagestan, is pronounced “chief of state” (Article 92). Another State Council member joins the State Council without voting as Chairman of the Government whose candidacy is proposed by the State Council Chairman having been approved by parliament. Thus, the premier automatically becomes State Council member and moreover, first deputy of the Council’s Chairman. Then, when the nationalities of the above two State Council members is already known, the Constitutional Assembly starts a procedure of putting forward candidates for the remaining 12 seats. Any member of the Constitutional Assembly of any nationality (of the 12 still vacant ones) has the right to be put forward as a candidate regardless of his own nationality. After the list of proposed candidates of certain nationalities has been compiled (the candi-

dates do not necessarily have to be Constitutional Assembly members) two candidates with maximum votes are chosen by a soft rating vote (by secret ballot). And then, from the remaining two candidates of each nationality the rest of the State Council member are elected by a secret ballot.

The republic's parliament - People's Assembly of the Republic of Dagestan consists of 121 deputies elected by a direct popular vote by secret ballot in territorial constituencies. At the same time, the Constitution of Dagestan proclaims that in parliament "*representation of all the peoples of Dagestan is guaranteed*" (Article 72), and a mechanism to implement that constitutional norm is provided for by the Law "On Elections to the People's Assembly of the Republic of Dagestan."

Under that law, the mechanism for keeping a balance between nationalities is as follows. The territory of the republic is divided into ethnically homogenous areas - that is mainly mountainous areas of Dagestan totally populated by Avars, Dargins, Lezgins, Laks, Tabasarans, etc., and ethnically mixed ones - that is towns and rural districts on the lowland. In ethnically homogenous areas there are no limitations for candidates in terms of their nationalities. In ethnically mixed areas and in towns the Law "On Elections..." gives the Republican Electoral Commission the right to set up special "national-territorial constituencies" where only candidates from a specific nationality are allowed to run. In doing so, the electorate of those multinational constituencies are not divided along any nationalities lines and the whole population of that constituency votes for candidates of only one nationality.

"National-territorial constituencies" is no theoretical invention. They were set up after an abortive precedent of having democratic election. In early 1994 (the Constitution of Dagestan was adopted in July 1994) elections to representation organs of local self-government (Assemblies) took place in municipal districts. The elections were organized in a strict compliance with classical election procedures. However, the returns in the majority of towns and multinational (lowland) districts brought about a general resentment. The problem was, that, for example, in Makhachkala only Avars and a few Dargins with very few exceptions made it to the City Assembly, in Kizilyurt - it was only Avars, in Kaspiysk - the overwhelming majority of Avars and Dargins. It so happened, that given a classical electoral pattern, under the concrete conditions of Dagestan, only representative of the biggest nationalities have a real chance of being elected.

It was then that it became absolutely clear that such organs of representative power do not have any social legitimacy. It became clear to everybody. Even the winners thought that their victory was made useless by such returns. There was no prestige in being a member of such an esteemed representation organ with that kind of nationalities' representation. The day had to be saved. Then, the republic's leadership urgently increased a number of seats and set up new constituencies where by-elections were held. In doing so, certain limitations in terms of candidates' ethnic origin were introduced. After the success of such elections at the level of local self-government, that experience was used in the formulation of the election law "On Elections to the People's Assembly (Parliament) of the Republic of Dagestan".

Thus, the campaign between the candidates in "national-territorial constituencies" does not get beyond the framework of each *nationality*, and for the multinational electorate of such a constituency the contenders' *nationality* loses any significance and makes virtually no impact on their choice. Thus, *the formal acknowledgment* of the importance of ethnicity creates a situation when in the "*real*" political process the ethnicity loses any importance.

A lot of rules regulating the nationalities balance though not secured in either the Constitution, or law, or any other written regulations, are strictly implemented in the real life. Thus, the top leaders of the supreme institutions of power (State Council Chairman, Speaker of Parliament and Premier according to an unwritten rule should be from different nationalities. Deputy Premiers are chosen from among different nationalities, and ideally none of the nationalities should have more than one man among them. The same holds true with Vice-Chairmen of the People's Assembly, with chairmen of parliamentary committees, State council's directorates, etc. Ethnicity is also taken into account in appointing directors of universities and research institutes, etc.

We can say that at present, when the whole country is falling apart, and tremendous upheavals are ravaging the Caucasus, Dagestan through a lot of pain has on its own created a system of political institutions providing for a stable balance of forces and protecting democratic principles.

### ***"A Consociation Democracy" Model***

The Dagestani model of political system was formed without any influence from the concept of consociation *democracy* developed in late 60s by

west-European scholars of the comparative school. However, we can argue that it corresponds to the main characteristics of the above model.

Over a rather short period of time (1967-1974), this concept received a general recognition among political sociologists of the comparative school. A number of scientists who did independent research in Austria, Belgium, Switzerland and the Netherlands identified almost simultaneously a new type of democracy characterized by political stability in societies with a marked and politically significant cultural segmentation. This concept that appeared as a result of looking into the political experience of the developed European countries, soon began to be widely used in studying such countries as the Lebanon, Malaysia, Cyprus, Colombia, Uruguay and Nigeria.

A word-for-word translation of this notion into Russian does not yield any satisfactory result, and sometimes, it is translated as "*democracy of agreement*" or "*democracy of social agreement.*" The best translation, and at the same time the closest one to the traditions of Russian-language ethnology, in our view, is "*democracy of agreement.*"

One of the most notable theoreticians behind that concept, Arend Lijphart determines "consociation democracy" in the framework of four characteristics: "*The first and the most important element is ruling through a creation of large coalitions of political leaders from all the significant segments of the pluralistic society. This could take several different shapes, for example, by setting up a supreme council within parliament, a council or a committee with important recommendatory functions, or any other coalition of the president with other top officials in the presidential structure. The three other elements of consociation democracy is (1) mutual veto or principle of concurrent majority's shared positions that act as an additional protection of the minority's vital interests, (2) proportionality in appointment to civil service and appropriation of public funds, as the main model of political representation, and (3) a high degree of autonomy for each segment in handling its own affairs.*"<sup>75</sup>

Such kind of democracy is different from the classical bourgeois one because the functions of social and ideological segments of the society that confront each other are performed by traditional ethnic and/or confessional communities. The phenomenon of *consociation democracy* is characterized by two major peculiarities:

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<sup>75</sup> Lijphart A. *Democracy in Plural Societies. A Comparative Exploration.* London, 1977, p. 25.

(1) a clearly-seen vertical segmentation of the country's population, that is the existence of different ethnic and cultural communities, for example, religious, language, ethnic or racial ones;

(2) a process of political institutionalization of their social interrelation taking place at the level of those communities' elites.<sup>76</sup>

The political process, if one does not look at it from the outside, is carried through by a struggle of social forces and not by inventions of political sciences. It is a product of too many deep socio-cultural factors to allow institutes of a specific and real society to be put together on the basis of some abstract theoretical models. We do not think that certain theoretically substantiated schemes can be arbitrarily introduced into the system of a real society. In our opinion, we should be wary of theoretical models being turned into laws – we should not mechanically transfer into our society the results of other countries' political development.

The phenomenon of consociation democracy in the republic was engendered by the very process of the political struggle there, by the existence of a multitude of ethno-political segments based on traditional ties. None of them was capable of gaining a decisive victory and establishing its own rule. And the conclusion that no party has a chance of getting the upper hand over all the others is not a result of a theoretical discussion, but that of an analysis of a concrete situation – that there are certain political institutions established in the society.

### ***Problem of “Small Peoples”***

The new period is characterized by a return to a direct influence on Dagestan from the center. As a whole, this trend is an objective and positive one. At the same time, we have to dwell on possible destructive consequences of that trend in case it is pursued blindly and with no account for the new realities of life.

Similarly, a destructive impact on the situation was made by certain federal laws that did not take into account the nuances of the local situation. For example, problems arose in Dagestan when “paragraph five – the bearer's nationality” was struck off the new passports. However, Dagestan was

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<sup>76</sup> Dogan, M., Pelassy, D. *Comparative Political Sociology. M.: “Socio-Political Journal,”* (Mattei Dogan and Dominique Pelassy. *How to compare nation. strategies in Comparative Politics. Second Edition. Chatham House Publishers. Inc. Chatham, New Jersey 1990).*

able to resolve this problem quite simply - by the National Assembly's (parliament's) decision that enabled the bearer to have a special coupon into his passport specifying his or her nationality.

Another example of the federal lawmaker's "creativity" when a law makes a direct impact on the situation in the republic threatening to destabilize it, was the passing of the Russian Federation Law "On Guarantees of Rights of Indigenous Peoples of the Russian Federation."

It is common knowledge that Dagestan is a museum of small peoples, nevertheless, the Law instead of providing support for the numerous Dagestani ethnic communities living under harsh conditions high in the mountains, makes a direct incursion into the political process disrupting the established system of political institutions existing there.

The problem is, that in the republic, only *Aguls*, *Rutuls*, *Tsakhurs* and *Tats* have an official status of a *nationality* with fewer than 50 thousand members. But the actual number of ethnoculturally, and which is the most important thing, linguistically self-sufficient *peoples* in Dagestan is much higher and that fact is scientifically substantiated beyond any doubt. Thus, 14 peoples who are self-sufficient linguistically and live by tight communities in mountain villages, nevertheless, consider themselves Avars. They are: (1) *Andians*, (2) *Archins*, (3) *Akhvakhs*, (4) *Bagulals*, (5) *Bejtins*, (6) *Botlikhs*, (7) *Genukhs*, (8) *Godaberians*, (9) *Gunzibs*, (10) *Didois*, (11) *Karatins*, (12) *Tindins*, (13) *Khvarins* and (14) *Chamatins*. Similarly, there are two absolutely linguistically independent people living in tight communities who consider themselves Dargins - (15) *Kubachis* and (16) *Kaitags*.

Russian Federation Law "On Guarantees of Rights of Indigenous Peoples of the Russian Federation" inevitably provokes those ethnic communities into forming movements for "*national self-determination*." Moreover, a necessity to change the composition of the State Council of Dagestan inevitably arises, because the State Council, a supreme organ of the executive branch consists of 14 representatives of 14 nationalities elected by a certain procedure. Now, a need arises to include 16 more ethnic communities into the list of republic-forming nationalities. Thus, if *Tsakhurs* represented in the State Council have only 3 thousand people, then *Andians* who are now considered Avars have over 40 thousand. A logical implementation of a policy of *granting a status of individual nationalities*, based on ethnographers' scientific recommendations will result in increasing the State Council composition up to 30 members, of whom exactly a half (15) will be those who consider themselves "*Avars*".

But even that is not the last problem. The real problem is that the true ethnic structure of the Dagestani society consists not of *nationalities*, but of the so-called *jamaats*<sup>77</sup> - smaller ethnicities that are clearly defined both territorially and ethnoculturally. Before the advent of the Russians, the traditional Dagestan was a multitude of “*republics*,” or “*free communities*” as they were named in Russian official papers and in Russian historiography. By the time of the active contacts with Russia in late 18<sup>th</sup>-early 19<sup>th</sup> centuries, there were over 60 political structures with different types of ruling in Dagestan. In mountainous regions, “federal republics” or “unions of free communities” dominated, whereas in the foothills and on the lowland, there were all kinds of structures with authoritarian regimes. However, all the political structures were based on *jamaats* (“communities”) - separate tightly populated and well-fortified individual settlements with outpost settlements and surrounding farmland. They had unquestionable sovereignty and based on that sovereignty their unions and super-unions were formed through voluntary or forced agreements. Those separate “city-states” had their own public civil law (“*adats of jamaats*”<sup>78</sup>). There were at least 350-400 of them. Territorial “communities” even now have good grounds to be called independent ethnic communities from ethnographic viewpoint: they have marked linguistic peculiarities, at least dialectal ones, a common tightly-populated territory, a common political history, explicit peculiarities of the traditional material and spiritual culture. And the most important factor is, that for ev-

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<sup>77</sup> We use the notion of “*jamaat*” as the most frequently used word to describe the smallest politically independent traditional “communities” in Dagestan. In the political discourse of traditional Dagestan there were not notions of such a degree of generalization. Concrete *jamaats* had proper names: “*Akhty*,” “*Tsudakhar*,” “*Akusha*,” etc. “Unions of free communities” (i.e. relatively stable territorial and political unions of several “*jamaats*”) also had their own proper names, for example, *Bkhty-para*,” “*Akusha-dargo*,” “*Aniroso*” (Ten villages,) etc.

<sup>78</sup> “*Adat*” (“*custom*” in Arabic) means common law opposing the Moslem *sharia* law. However, it would be a big mistake to use this notion to denote the so-called “Dagestani *adats*.” The point here is that the written “constitutions of Dagestani political units (“free communities”) were written and perceived by the mountaineers at that time as *sharia* provisions. Their perception as “*adats*” only appeared in early 19<sup>th</sup> century among ideologues of *muridism* that started fighting independent *jamaats* to politically unite Dagestan in the struggle against Russia. A struggle to establish “pure Islam” throughout Dagestan inevitably turned the “constitutions” of independent *jamaats* in “*adats*” running counter to “*sharia*” law. The Russian colonial administration and historiography adopted that “*muridist*” terminology but in the struggle against that formidable ideological force they made a stake on a return of “*adat*.”

ery Dagestani, the fact that he belongs to his “community” (jamaat or a unity of jamaats) is still an extremely important component of his social identity.

If we take all that into account, then the Law on small peoples will provoke “the ethnic process” in Dagestan to move in a reverse direction. For example, if jamaats of Rutuls and Tsakhurs are granted certain privileges under the Russian Federation Law “On Guarantees...» then what will be the reaction to that from their neighbor *jamaats of Lezgins, Laks, and Azeris*, living in compact communities in the same mountainous Rutul district? If Andians and *Botlikhs* of the mountain Botlikh district of Dagestan are granted a status of small peoples and the corresponding privileges for their economic and cultural development, then what is to be done with the unions of jamaats of Avars who live in the same Botlikh district and are no less self-sufficient in terms of their identity as the *Botlikhs* and *Andians*? Why *Tats*, a Dagestani nationality who are at the same time internationally recognized as *Jews* and only have 3 or 4 thousand people in Dagestan, with 90 percent living in towns should be considered “a small people” with all the ensuing consequences, whereas *Laks* cannot be ranked within that privileged category because their number is a little under 100,000?

There is a lot of such situation-related problems to be formulated and they will inevitably arise in the Dagestani society if the “Law on Guarantees for the Rights of Small Peoples” “starts working.” We can be sure that if it happens to be efficient, if it will actually support the economic and ethnocultural existence of small peoples (or make it easier) through certain privileges as is stipulated by its clauses, then a shift in “*national self-consciousness*” will start developing in Dagestan. There will be not 14 nationalities, as it is the case now, and not 30, as the modern ethnography claims, but at least 60-70 “*nationalities*”.

It goes without saying that the Dagestani leadership, well aware of the threat of the forthcoming ethnic revival, was categorically against the passing of that law. The Dagestani representatives in the upper legislative organs of Russia insisted that such a law should deal exclusively with the peoples of the North.

By the way, the destructive nature of that law creating a legal right for “*ethnicity*” to be a subject of law, and introducing an absurd 50-thousand barrier for getting a privileged status was clearly understood in Moscow from the very beginning, when the work to formulate it was at its initial stage. The Second State Duma formulated a law “*Fundamentals of the Legal Status of Indigenous Small Peoples of Russia*” that was on two occasions (August 25 and October 15, 1995) rejected by President Yeltsin, though

on different grounds, having nothing to do with the problems of Dagestan. It was quite reasonably said that a number of provisions of the law are at odds with the Constitution of the Russian Federation. A year later, on May 22, 1996, the State Duma managed to pass the law in a third hearing and on June 5 of the same year, it was again rejected, now by the Federation Council. The leaders of Dagestan who are Federation Council members certainly played their part in it, but the formal ground for rejecting the law was another thing. Various privileges granted to small peoples were at odds with the general human rights creating *discrimination by an ethnic factor*. Despite all those insurmountable difficulties the efforts to pass the law continued. And, finally, on March 5, 1999, the State Duma passed a Law with a following wording: “*On Guarantees of Rights of Indigenous Small Peoples of the Russian Federation*”. It was approved by the Council of Federation and on April 1999 signed by the President of Russia.

It should be noted, that the problems of Dagestan were not taken into account when the law was passed. In its very first clause of the already passed Law of the Russian Federation it is said: “*Taking into account the unique nature of the ethnic composition of the Republic of Dagestan in terms of the number of peoples living on its territory, the State Council of the Republic of Dagestan determines the quantitative and any other peculiarities of its indigenous small peoples and also determines the list of those peoples to be included into the Unified list of indigenous small peoples of the Russian Federation.*”<sup>79</sup>

Using the right provided by the Law, the State Council of Dagestan by its Decree of October 18, 2000 passed the following decision:

“1. State that the indigenous small peoples of the Republic of Dagestan are: Avars, Aguls, Azeris, Dargins, Kumyks, Laks, Lezgins, Tats, Tabasarans, Nogais, Rutuls, Russians, Tsakhurs, Chechens-Akkins.

2. *Submit to the Government of the Russian Federation the list of indigenous small peoples of the Republic of Dagestan to be included into the Unified list of indigenous small peoples of the Russian Federation.*”

This means that the number of nationalities in Dagestan is not changed, but on the list of “small peoples” there will be not only those with over half a million members (*Avars*) or over 300,000 members (*Dargins, Kumyks and Lezgins*) but also such nationalities that have nothing to do either with the letter or the spirit of that law - *Russians, Chechens and Azeris*.

<sup>79</sup> Law “*On Guarantees for the Rights of Indigenous Small Peoples of the Russian Federation*” (Signed and came into force April 30, 1999).

Thus Dagestan made a resolve, which was not satisfy no the spirit no the letter of law. So, there are two ways to solve this problem:

either administrative pressure of the center with the purpose of pushing the decision of acknowledgment of juridical personality only for living at present time in Dagestan “small nationalities” namely, for *rutulci, agulci, czahurci and tati*;

or the center will make a resolve of the Dagestani Council of State of declaring the status of “small nation” across all of the 14<sup>th</sup> nations, which are the argument point of the republican political system.

If the first resolve will be made the mechanism of ethnic and political tendencies wrecking the system which provided political stability in Dagestan is started. If the second resolution will be made then the law of “warranty of small nations rights” is losing meaning and effectiveness.

### **“Nationalities Constituencies”**

It would be interesting to compare the above-mentioned situation with another one - a case on “*unconstitutionality of nationalities’ constituencies*” in Dagestan being handled by the Constitutional Court of the Russian Federation. Such a comparison is very meaningful. On the one hand, the Russian Federation law “*Guarantees of Rights of Indigenous Small Peoples of Russian Federation*” does not hold any formal legal criticism - in a modern state ruled by law, nationalities cannot be granted the right to being subjects of law. Despite the fact that the Law “On Small Peoples” was aimed at supporting very specific territorial-ethnic communities, living their traditional lives under very tough conditions due to natural and civilization factors, the way it is legally structured leads not to the preservation of small peoples but explodes Dagestan’s ethnic set-up based on the republic’s political institutions.

On the other hand, the center through the Constitutional Court of the Russian Federation insists that Dagestan should renounce nationalities’ right to being subjects of law in its electoral system. At the same time, it is absolutely clear that such kind of renunciation will destroy the republican institutions of government.

Now, when this case is postponed by the Constitutional Court, Dagestan is actively looking for such electoral procedures where nationalities would count (because it is a must!) but not be visible in a legal context. Actually, this cannot be done, unless we don’t get back to the regime of the only one “leading and guiding force.”

Amendments to the election law have already been prepared in Makhachkala. They boil down to the following: *multimember* constituencies are planned to be set up instead of single-member *nationalities* ones, with people from any nationality having the right to run. But, in the ballots all the contenders will be *subdivided into individual nationality-based lists*. Competition between the contenders will take place separately within each “*nationality list*” within one ballot. This principle also allows controlling the ethnic proportions within representative organs. However, the same legal difficulties will inevitably arise as in the case of “nationalities constituencies”. For example, it can so happen that a candidate from one “nationality list” with a larger number of votes compared with a candidate from another list will not get elected because he might lose to another candidate from his own list, while a candidate from another list will get elected because he happened to be the first in his own national list. If a case like that is brought to a court, law will run into the same kind of difficulties, but *a posteriori*, when the elections had already taken place. When “nationalities constituencies” were in place there was not a single demand to include a candidate into a list of contenders running in a constituency earmarked for another nationality. Under the newly proposed procedure, the conflict will take place immediately after an election and the first court ruling will ruin the whole procedure.

This refusal to control the proportions of nationalities representation will radically change the political process in Dagestan. Those changes will boil down to the following. Classical elections without due regard for nationalities will result in ethnic proportions within the elected organs completely destroyed. Only representatives of the most powerful ethnic parties (or communities of people coming from the same province) will win the elections, people mainly of the Avar and Dargin nationalities. The election campaigns by leaders of ethnic parties will become extremely cruel and cynical. Young people and intelligentsia “of our own kin” will gladly join the fight. Social legitimacy of organs elected under such procedures will be completely lost. This will radically change the social feeling and will deprive people of social and moral foundations. And it will be with the center, that the public opinion will associate the main portion of blame for that kind of a “*civilized society ruled by law*” thus created in the republic.

### ***Amendments to the Constitution of Dagestan***

The influence from the center in Dagestan has increased dramatically over the very recent time and manifests itself in many spheres. Federal dis-

tricts were set up, the federal inspectors were sent to provinces, control over the work of federal organs in the provinces was intensified - all that is a testimony to that trend. Such kind of increased attention from the supreme power should make a positive impact on the situation in provinces. And there is proof behind that statement. Control over cash flows has been increased, as well as the responsibility of republican bodies to the center, etc. However, there are some destructive components to that trend. The unification of the all-Russian legal environment, virtually, boils down to a situation when bodies of power and procedures for putting them together incompatible with the given republic's socio-cultural environment are established in the republic by administrative methods

In the middle of 2000, the center ordered the republican prosecutor's office to identify all the clauses of Dagestan's constitution that are at odds with the Russian Constitution. The Dagestani prosecutor's office identified such discrepancies in 45 paragraphs of 35 articles of the republican Constitution. In early May of 2000, the republican prosecutor submitted to President V. Putin a draft request to be signed by him that the Russian Federation Constitutional Court should look into whether those articles are at odds with the Russian Constitution.

Instead of letting the case go as far as the Russian Federation Constitutional Court, the People's Assembly of Dagestan reacted immediately by introducing 12 amendments into Dagestan's Constitution. They have not changed the system of political institutions but have returned its due authorities to the center.

#### **Amendments introduced into Dagestan's Constitution by the People's Assembly at its session of June 22, 2000.**

Original text	Amended text
1. Article 65, part 6. "Federal laws and other legislative acts of the Russian Federation running counter to the sovereign rights and interests of the Republic of Dagestan <b>may be suspended by the Republic of Dagestan on its territory.</b> These acts may be protested in a proper legal manner."	1. "Federal laws and other legislative acts of the Russian Federation passed in violation of part 3 of the present Article <b>may be protested in proper legal manner.</b> " (Article 65, part 3 of the Constitution of Dagestan reads: " Outside the authority of the Russian Federation and the joint authority of the Russian Federation, the Republic of Dagestan executes its own legal regulation, including the passing of laws and other normative acts.")

<p>2. “Federal organs <b>are allowed</b> to set up their territorial structures in the republic of Dagestan <b>in a proper legal manner.</b>”</p>	<p>2. Article 65. Part 8. “Setting up and activities in the Republic of Dagestan of federal organs’ territorial structures <b>is allowed on the basis of agreements</b>”.</p>
<p>3. Article 66. “Republic of Dagestan is <b>an independent participant</b> in international and external-economic relations and ties, <b>enters into relations</b> with other states, <b>concludes agreements</b>, exchanges representations, <b>and participates in activities</b> of international organizations.”</p>	<p>3.”Republic of Dagestan <b>has the right</b> to establish international and external-economic relations <b>in accordance with the Constitution of the Russian Federation</b>, federal laws and the present Constitution, participates <b>within its authority</b> in the implementation of international treaties of the Russian Federation, in the formulation and implementation of the country’s foreign-policy course <b>on issues bearing on the interests of the Republic of Dagestan.</b>”</p>
<p>4. Article 70. “Republic of Dagestan reserves the right to change its state and legal status <b>on the basis of Dagestani people’s will.</b>”</p>	<p>4. “The status of the Republic of Dagestan <b>may be changed with a mutual consent of the Russian Federation and Republic of Dagestan in accordance with the federal constitutional law.</b>”</p>
<p>5. Article 75. “Deputies of the People’s Assembly of Dagestan have immunity during the whole of their term of office. They cannot be arrested or searched apart from being caught at a crime scene, as well as be subjected to a personal inspection with the exception of the cases stipulated by law to provide for security of other people.”</p>	<p>5. Second sentence: “They are immune from prosecution or civil liability <b>imposed by court</b>, they cannot be detained or arrested, searched or interrogated <b>without a consent from the People’s Assembly</b> apart from cases of detention at a crime scene and cannot be subjected to a personal inspection with the <b>exclusion of cases when it is stipulated by federal law</b> to provide for other people’s security. <b>The above restrictions do not extend to deputies’ activities not related to their functions.</b>”</p>

<p>6. Article 81, part 1, paragraph 5. “Within the authority of the People’s Assembly is: ...</p> <p>5) Appointment and dismissal of judges to the Republic of Dagestan’s Constitutional Court, Supreme Court and Supreme Court of Arbitration, as well as judges of district and municipal courts.”</p>	<p>6. “Appointment and dismissal of judges to the Republic of Dagestan’s Constitutional Court, appointment of judges of peace, <b>consent to appointment</b> of judges to the Republic of Dagestan’s Supreme Court, Court of Arbitration, district and municipal courts.</p>
<p>7. Article 91, paragraph 5. “State Council of the Republic of Dagestan: ... 4) submits to the People’s Assembly candidacies of judges to be appointed to the Republic of Dagestan’s Constitutional Court, of Chairman and judges of the Republic of Dagestan’s Supreme Court, of Chairman and judges of the Republic of Dagestan’s Court of Arbitration, of judges of district and municipal courts, moves a proposal on the candidacy of prosecutor of the Republic of Dagestan.</p>	<p>7. “...submits to the People’s Assembly candidacies of judges to be appointed to the Republic of Dagestan’s Constitutional Court, of judges of peace, and for getting consent for appointment of judges to the Supreme Court, the Court of Arbitration, district (municipal) courts, moves a proposal for a candidacy to be appointed Dagestan’s prosecutor.</p>
<p>8. Article 91, paragraph 7. “appoints and recalls after consultations with the appropriate committees of the People’s Assembly <b>diplomatic</b> representatives of the Republic of Dagestan.”</p>	<p>8. To exclude the word “diplomatic” from paragraph 7.</p>
<p>9. Article 91, paragraph 13. “<b>issues pardon for persons sentenced by courts of the Republic of Dagestan.</b>”</p>	<p>9. To exclude paragraph 13.</p>

10. Article 112, part 3. “The court system of the Republic of Dagestan is comprised by: Republic of Dagestan’s Constitutional Court, Republic of Dagestan’s Supreme court, Republic of Dagestan’s Supreme Court of Arbitration, district and municipal courts.	10. “The Republic of Dagestan’s court system is a part of the Russian Federation’s court system and includes the Republic of Dagestan’s Constitutional Court, the Republic of Dagestan’s Court of Arbitration, district and municipal courts, <b>judges of peace.</b> ”
11. Article 113. “The Constitutional Court of the Republic of Dagestan is <b>the supreme judicial</b> organ to protect the constitutional system.	11. “Constitutional Court of the Republic of Dagestan is a <b>judicial</b> organ to protect the constitutional system...”
12. Article 113, part 5, paragraph 2. The Constitutional Court of the Republic of Dagestan “issues a ruling on the correspondence of laws and normative acts of the Russian Federation to the Constitution of Dagestan on issues of joint authority of the Republic of Dagestan and Russian Federation.	12. To exclude.

Thus, for example, Article 65, part 6 of the Constitution of Dagestan says that “federal laws and other juridical acts of the Russian Federation running counter to the sovereign rights and interests of the Republic of Dagestan *may be suspended by the Republic of Dagestan on its territory.*” Now the wording in italics is excluded from the text of the republic’s Constitution. Or, Article 66 says, “*Republic of Dagestan is an independent member of international and external-economic relations and ties, enters into relations with other countries, concludes treaties, exchanges representations, participates in activities of international organization.*” Now, it all is written as follows: “*Republic of Dagestan has the right to establish international and external-economic ties in line with the Constitution of the Russian Federation, federal laws and the present Constitution, participates within its authority in implementing international agreements of the Russian Federation, in the formulation and implementation of the country’s foreign-policy course on issues bearing on the interest of the Republic of Dagestan.*” And so on.

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*President of Republic of Dagestan*

It is absolutely clear that the center will see to it that Dagestan will completely reject “*the national coloring*” in the structure of its political institutions. So far, as we could see, the changes that were recently introduced into the Constitution of Dagestan do not reach the institutional level. A formal ground to delay a radical reform is the fact that according to Dagestan’s Constitution, changes of such kind can only be effected by a resolution of Dagestan’s Constitutional Assembly that has to be especially convened to resolve such issues. The above-mentioned abolition of “*national constituencies*” is already on the agenda. Obviously, the same lot is also in store for the State Council - the supreme institution of the executive branch in Dagestan.

In early 2001, the State Duma of the Russian Federation raised an issue that Republic of Dagestan should shift to “*a presidential model of ruling.*” And again, the issue was *postponed for some time*, but by all indications, it seems to be a foregone conclusion. In fact, a 14-men strong “collective president” from 14 main nationalities in Dagestan elected not by a popular vote but by an electoral college of 242 persons (i.e. the Constitutional Assembly) - is a rather exotic institution of the executive branch. A sole president elected by a popular vote would be a far more comprehensible and clear-cut solution. It goes without saying that certain objections could be made to the effect that this institution is at odds with the Russian fundamental law. However, it would be a grave mistake not to see its functional necessity for the republic.

If we proceed not from abstract theoretical schemes, but from understanding the realities of the political process in Dagestan that had taken shape here over the period of transformation, then the possible destructive consequences of that reshaping will become clear. “The collective president» is a result of a social and political environment existing in a multisegmental society, unique in terms of its ethnic and cultural characteristics. This institution was brought to life by the realities of political struggle, and that is why it reflects such a system, where the political and social stability are guaranteed not by a monolithic prestige of undivided personal power, but by a system of a multitude of interests, forming a dynamic but stable balance of political forces.

It would be a mistake to portray the collective body of the supreme executive power as a low-efficiency working organ, as some discussion club, where people are lobbying their selfish interests instead of doing practical

work. The power of the Chairman of the State Council is very strong (he is *head of the republic* under the Constitution of Dagestan) but not unconditional. Also, for a man on the street in Dagestan, the mere fact that “his own” nationality is represented in the supreme body of government is very important. Representation for him means that “their man” is fully informed about what is going on at the very top, that he can directly participate in discussing all the issues and put forward his proposals on how to resolve them, and finally, that “their man” participates in an equal vote by the State Council on the most important political decisions. We should also take into account the fact that, virtually, any Dagestani has a chance to directly inform “his” representative in the supreme body of executive power about his personal problems and expectations. All that eventually provides for a *social legitimacy* of such an organ of the executive branch.

Of paramount importance is the fact that the institution of collective presidency averts a threat of power being monopolized by one of the numerous political groups that eventually lean upon traditional clannish relations. That is why, if the exclusive presidency is forced upon the republic, the fight for the presidency will descend on the Dagestani society shattering the whole edifice of the existing political system. To speak about a possibility of “democratically” electing any political figure by a majority of Dagestani votes means a complete misunderstanding of the social and political peculiarities of Dagestan. To assume that the losers will accept “*the election returns*” and the society will get a legitimate and authoritative government embodied by “*a popularly elected President of Dagestan*” is an erroneous forecast. In reality, as soon as this “*event*” is completed, new mechanisms of political relations will be activated in Dagestan, giving rise to new trends that will run counter to those that had provided for the republic’s internal stability and its loyalty towards the center.

### ***Conclusion***

Political institutions of a modern democratic society must of necessity have features that would attribute *social legitimacy* to them. With vanished totalitarian and bureaucratic regimes and the advent of democratic mechanisms of popular control over government, social legitimacy becomes a determining factor in its own right. The question: who has a *legal right* to act as a representative of the people cannot be answered with the help of univer-

sal schemes indifferent to ethnic and cultural peculiarities of a specific society. Political structures and procedures borrowed from books or transplanted from other societies do not always result in the much-needed public trust. Legitimacy is related to public consciousness, to a system of values and social and cultural characteristics of a specific society. *Social ratification* of political institutions, as well as of procedures to elect them that give power to individuals, is inevitable in a democratic society. The problem of legitimization is a problem of social accord, a problem of how relevant the institutes of power are to the nature of the public system within which they are supposed to function.

“Tarring” the political structure in Dagestan with the same all-Russian “brush” will have serious consequences destabilizing the political situation there. In the future, serious changes in the correlation of political forces are bound to be engendered by a new “perestroika” of political institutions (unregulated balance between different nationalities represented in the People’s Assembly (parliament) of the republic and Assemblies of local self-government, election of the exclusive president of Dagestan). At first, those changes will develop covertly, but when they are fully mature and manifest themselves, we will see a quite different Dagestan very much “unlike its own self.” In the long-term, the republic will lose its self-implemented stability it had acquired in the past period. Not the interior balance of forces, but an exterior bureaucratic power will then become a factor of Dagestan’s political stability. Not a system of political institutions that had independently taken shape and is relevant to the interior ethnic and social peculiarities of the republic but an all-embracing control and administration by an external force coming from the center. The local elite will face not the interior situation, public opinion and the balance of forces and interests, but only the center’s opinion and position. This will inevitably result in *alienation* of the ruling elite from the interior social demands and expectations. If in the past, all the leaders grappling for power and resources had always sought support and compassion from the center, then under the new conditions, all the losers (and there will be more and more of them under any circumstances) will look for other “allies.” Those politicians will use nationalism, Islamism and escalation of anti-Russian feelings as their ideological resource.

Marat Galejev\*

**The agreement of Russian Federation and Republic  
Tatarstan about mutual delegating of authorities**

The Agreement of Russian Federation and Republic of Tatarstan «About distribution and mutual delegating of authorities between powers of Russian Federation and those of Republic of Tatarstan» (further - Agreement) signed in February 1994 essentially confirmed the democratic nature of the Federation and gave an example of a political solution in a conflict situation. The political struggle, which still exists in Russia, continues to give rise to ardent discussions about the Agreement. The direct distortions of its essence, voluntary interpretations and one-sided revision appeals are quite frequent.

For correct political interpretation of the Agreement it is necessary to take into account the historical and legal reasons of its conclusions. Russian Federation was formed while still a part of the USSR, having accepted the Declaration of Sovereignty in 1990. Further, to determine its state status and its becoming legitimate two all-Russian referendums were conducted: the All-Russia referendum about introduction of a post of the President of RSFSR of March 17, 1991 and the referendum about the new Constitution of Russian Federation of December 12, 1993.

The specificity of Republic of Tatarstan in this process as opposed to that of any other entity in RSFSR, included following principles.

1. The people of Republic of Tatarstan did not participate in either referendums conducted by Russian Federation, or election of the first President of Russia in 1990, simultaneously having elected their first President (of Tatarstan).

2. Tatarstan was independent co-founder of the USSR in 1922.

3. As opposed to other republics, which joined Russia voluntarily, Tatarstan does not have any documents on its entry, that is by 1990 Tatarstan and Russia had not had any legal documents connecting them.

4. On August 30 in 1990 the Republic of Tatarstan adopted the Declaration of Sovereignty which did not regard Tatarstan as a part of RSFSR.

5. The Republic of Tatarstan did not sign the Federative Agreement in 1992.

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6. In March 1992 the referendum about the state sovereignty was conducted, where people voted for the mandate of the contract relations of Tatarstan with Russia.

7. On the basis of the referendum, Republic of Tatarstan adopted its Constitution in November 1992, while there was no Constitution in Russian Federation.

8. The people of Republic of Tatarstan did not participate in election of State Duma in December 1993.

9. After the well-known events of October 1993, Russia, remaining without the representative authority, adopted its constitution in December 1993 by referendum, in which the people of Tatarstan did not participate.

Thus, in the beginning in the 90-es there was a situation, when Russian Federation and Republic of Tatarstan legally were in equal position, - as two states, which predetermined the necessity of solving the conflict situation in the only acceptable for both parties way - by conclusion of a bilateral agreement.

It is necessary to mention, that today the Agreement is a unique legal document uniting Russia and Tatarstan. The agreement has no the term of duration, that is it is without time-limit and can not be reconsidered by parties unilaterally (Article IX).

The agreement is, first of all, a political document defining special status of Tatarstan distinguishing it from the entities of Russian Federation. The agreement defines Tatarstan as the state incorporated within Russia, where the state authorities are mutually voluntarily delegated. Such interpretation implies, that in the relations with Republic Tatarstan Russian Federation should be guided by not only the Constitution of Russian Federation, but also by the norms of the Agreement, and it should consider its relations with Republic of Tatarstan within the limits of authorities stipulated by this document. Following everything above-said the Agreement is an above-Constitutional document for both parties; it cannot be revised by actions of just one side, including the federal legislation. Thus, the decree «On principles and procedures of division of the terms of reference and authorities between public authorities of Russian Federation and public authorities of the entities of Russian Federation» passed by the State Duma in 1999 can not be referred to as the relations, stated by the agreement, (both according to the above-stated reasons, and taking into consideration the special state status of Republic of Tatarstan, which cannot be defined as the usual entity of

Federation). The term «entity» is not mentioned in the text of the agreement not without a reason. Besides, the subject of the Agreement is not the division of authorities stipulated by the Russian law, but voluntary mutual delegating of authorities between two states, and it is a conceptual difference between the Agreement of Russian Federation and Republic of Tatarstan and the mentioned federal act.

A number of governmental agreements signed only follows the signing Agreement. Eleven agreements out twelve have the special article about their automatic extension unless either of the parties states its cancellation 6 months prior to the expiration of 5-year term.

One of subjects of the agreements are the questions of oil and petrochemical production and transportation, which provide equal conditions for pipelines access for the enterprises of Russian Federation and Republic of Tatarstan (article 1 of the Agreement). Therefore, the attempts of certain officials «to punish» Tatarstan by «pipe» and similar measures would mean one-side breaking of the concluded governmental agreements.

According to the Agreement, land and its natural resources are the property of Tatarstan. This and a number of other provisions of the Agreement enabled Tatarstan to create its own legislation and laws on the use of natural resources and a number of other questions. Thus, the creation of Russian Federation (as a process, not a single act) requires federal and republican authorities to take into account both federal and republican legislation, while considering various questions of economic, socio-political and social life. It seems, there is nothing negative in such provision. The similar practices exist in the majority of federal states (the USA, Federal Republic of Germany).

The many-century existence of unitary Russia makes the present state rather unusual, and it obviously raises political irritation. Though Russia was an empire till 1917, it incorporated both Poland and Finland with their special status. Russian Federation being the largest state in the world and having essential differences in the level of life of the population, different mentality, unequal history of setting up of the peoples inhabiting it in different regions during formation of new statehood, based on democratic values, enables the possibility of asymmetric construction of the federal relations, and the latter actually takes place de facto. The asymmetry is formed not due to subjective desires of separate politicians to single out, for example, Tatarstan from the others detriming equality. It happens due to objective, noted historical circumstances, democratic formation of federative Russia in

the latest history, where the people of Tatarstan itself defined the limits of its independence. The attempt to break the developing federal relations, having the objective nature, causes the rise of the new contradictions and, in the end, weakening of Russia itself.

What is then the result of six-year action of the Agreement and the package of the agreements?

First, the signing of the Agreement was a historical mark not only in the latest history of Russia, when the conflict situation and intensity of the first three years of the Russian statehood were solved by the political means, but also in the five-century-old large and uneasy history of mutual relations of Russia and Tatarstan, as it is the first legal document uniting them on the basis of the Agreement.

Secondly, the Russian government in front of the world community has consistently demonstrated adherence to democratic legal methods of federal building, though there were many political forces, opposed to this process and offering to use coercion methods. The tragic experience of Chechnya again and again brings us back to the necessity of giving credit to the Agreement of Russian Federation and Republic of Tatarstan.

Thirdly, the signing of the Agreement stabilized political conditions in Republic of Tatarstan, as it has excluded the possibility of ethnic tension and overwhelmed certain radical politicians from both sides.

In - fourth, the international significance of signing of the Agreement is important too. There are many similar conflict spots in the world. There are countries, where such problems can not find their solution after many decades and often develop into armed conflicts, attempts to achievement their purposes by terrorist methods. The agreement of Russian Federation and Republic of Tatarstan implies, that Tatarstan receives the status of a state with elements of the international legal entity, with a number of authorities delegated to the federal center. It allows to eliminate the contradictions between independence and preserving of territorial integrity, and can present a solution pattern to the similar conflict situations in the world.

There is one more prominent aspect of the Agreement. On the centuries border, there started a number of global development tendencies in the society and economy. One of them is the intertwining of complex and simultaneous integration and decentralization processes. The increase of market interdependence between the countries, where the state borders start playing a secondary role, causes the creation of the global market. Along with that, decisions on

regional issues are taken in a more independent and responsible way. These processes are most brightly manifested in Europe. The geographical expansion of the EU and its qualitatively deeper integration, which peak would be the introduction of the common currency - euro, is accompanied not only by preserving of the states sovereignty, but also by increasing independence of their regions. Thus, recently increased integration in Germany has resulted in the constitutional changes, in lands' independence growth and their receiving a status of the international legal entity in a number of the articles. From this point of view, the Agreement of Russian Federation and Republic of Tatarstan serves an example of development of federal construction political process conforming to the philosophy of those processes which combines elements of integration and decentralization. Disregarding these important global development tendencies and attempting to build Russia with a strong center and single legal space once again, will not only contradict the forming of market relations, but can also prevent Russia from integrating into the global market and promote crime, since the market need for integration will build its way violating the current legislation. Therefore the development of legislation should be subordinate to objective needs of the market, and not visa versa. The construction of federal Russia in conditions of market reforms urgently demands to stop excessive centralization, which is still largely preserved now, being its characteristic feature in history.

Russia, having centuries-old tradition of the overly centralized statehood which has not resulted in prosperity of the people while possessing huge natural resources, requires adherence to democratic bases of development. In state construction, it means that federalism should be created not from the top, but from the bottom. The agreement of Russian Federation with Republic of Tatarstan is one of few assets in this process and its action is in Russia's best interests.

## Chapter III.

### **Factors of Federalization of Russia**

## ***§1. Ethnic and confessional factor of federalization***

Mikhail Guboglo\*

### **Language, Bilingualism and Ethnic Mobilization**

Ethnic mobilization is becoming an important, extremely complicated and multi-faceted phenomenon, an inalienable manifestation of the millennium shift, and like the “Renaissance” it happens right in front of our eyes with a sense allowing different interpretations. It is not accidental that some authors perceive it as “concentration of all the efforts aimed at an accelerated development of indigenous and viable national culture,” others as “a means of political mobilization” and the third ones combine the first and the second opinions. However, unlike the notion of Renaissance that received its conceptual contents over several centuries, the notion of ethnic mobilization has been taken place over one or two decades.

The paradox of widening the notional content of ethnic mobilization is explained by the desire of authors to press into its content and essence, the ideology, theory and practice of socio-cultural and ethno-political activities aimed at satisfying the various forms of self-determination and self-assertion by nationalities, as well as the legitimate and self-styled activities of real and self-proclaimed leaders aimed at setting up associations, movements, compatriots’ committees of peoples, communities for resolving all kinds of problems ranging from economic to linguistic and from cultural to political ones under the shiny slogans of national resurrection.

#### ***1. Globalization and Individualization***

Ethnic mobilization is being made ever more paradoxical by two modern processes going on simultaneously and in opposite directions: globalization and individualization. As it has been stated on more than one occasion, on the one hand, a global mentality is gaining ground due to the ubiquitous

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if not universal spread of similar features, standards and norms of life and initiation of common human values. On the other hand, a trend is getting ever stronger where peoples translate into reality their longing for identity through the preservation and cultivation of their individuality which sometimes leads to separation or even isolation.

One of the main tasks of ethnic mobilization is self-determination going as far as constructing a nationality's own statehood. It is engendered by a desire to put up a barrier against globalization depriving the people of the usual self-identification and a desire to preserve its originality.

Ethnic mobilization is put in opposition to the disappearance of elements and foundations of the traditional culture and is perceived as a means of widening political and economic grounds to strengthen the ideology, the logic and psychology of ethno-cultural solidarity.

Ethno-sociological research done by the Institute of Ethnography of the USSR Academy of Sciences in 70-80s in different republics of the Soviet Union allowed an important conclusion that globalization gives rise to individualization which by its reciprocal action pushes peoples towards globalization. That is the essence of the paradox no matter how you view it - as an imaginary or a real one. The paradox is based on the fact that unlike the pre-Soviet past, when the peoples of Imperial Russia were radically different from one another in terms of their cultural levels and social statuses, those of them who were especially lagging behind "the front-runners," perceived the "God sent" social hierarchy as a natural though unjust one, and, nevertheless, never resisted it or protested against it. In the years of the Soviet power, under the influence of indigenization, ideologization, urbanization and intellectualization, peoples got closer socially and culturally due to eradication of social differences and leveling of their socio-cultural statuses. As a result, a desire emerged to transfer the leveling processes to the sphere of political self-determination by way of upgrading the constituent republics' status to that of independent states, and those of autonomous republics and regions to that of sovereign republics.

The achieved similarity in the education levels, in the array of modern professions, in the rates of horizontal and especially vertical mobility constantly inflated national self-consciousness and gave rise to a desire to level the standards of living as well. To do so, it became necessary to have the leverage and mechanisms of power. The leveling increased a demand for individualism and originality, and both of them intensified the trend towards

globalization, and again it all occurred within a vicious circle giving rise to the same paradox on each new spire.

### *2. In Labyrinths of Ethnic Mobilization*

The situation in which the peoples of the former Soviet Union found themselves, can be defined as a labyrinth (or a paradox). Some of them embarked on the road towards self-determination as a state under the slogans and the colors of national resurrection. In their program documents, popular fronts, national alliances, linguistic and ethnic cultural centers and other ethnically oriented movements, initially proclaimed most noble goals of saving the ethnic originality, of caroling the national history and national heroes, of chronological searches for “the golden age,” for their own national time, and for geographical discoveries of ethnic territories. In the real life, perhaps with a few exceptions, the ideology and practical activities of national movements were aimed at grappling for power. Power was needed for a successful participation in the redistribution of property unleashed by the democrats, and property was needed for a priority development of national culture, and even more needed as scaffolding to put up the carcass of an ethnic home with ethnic superintendents. Russia was a combination of democratic slogans, such as calls to put immediate end to the totalitarian system by a presidential republic, to put an end to poverty by a market economy, to etatist paternalism and citizens’ infantilism by unlimited freedom of speech, etc. with a freedom of national-state, national-territorial and administrative-territorial sovereignization. And that combination resulted in a number of ethno-political situations reminiscent of labyrinth-like structures of the ancient world. Ethno-political situations emerging on the debris of a unified state are noticeably different not only functionally but compositionally. The break-up of the USSR was not limited to fragmentation along ethnic lines.

### *3. Shift of Ethnicity*

Unlike the last decades of the Soviet Union when the ethnic issues were shifting from the material sphere to that of consciousness, the first post-Soviet decade saw a new shift of the ethnic issues from the sphere of culture and psychology first to that of politics and then to that of law. At the same time, unlike the first trend, the second one saw not only ethnicity spreading to politics but also politics acquiring profound ethnic dimensions. The shift of ethnic issues from the material sphere to that of spiritual culture, like a shift from the folklore to the professional stratum had no feedback, or had a

very limited feedback, for example in making individual cases symbolic, when ethnically neutral elements of houses, clothes, food, kitchen utensils, including industrially manufactured goods were endowed with ethnic significance or attributed ethnic markers.

When ethnicity shifted to politics, the reverse action had no less significant an impact, or even a greater one. Politicized ethnicity leaned on the acquired or seized power, and spared no effort in justifying, catalyzing and galvanizing ethnicity with the help of real or imagined archaeological and historical data, as well with the help of sociology, trying hard to justify the priorities for one's own nationality. Having a powerful system of modern fourth power at its disposal, ethnicity awakened "a sense of topography," implanted "a sense of geography," cultivated "a sense of history," reconsidered "a sense of justice," provided ground to "a sense of being a subject of law," strengthened "a sense of republic-forming" or "state-forming nationality."

Not only all kinds of ethnic leaders in provinces turned out to be dragged into a search for legal grounds behind an ethnic right to be subject of law, i.e. legitimization of individual nationality as a subject of law, but also federal structures, for example, the Committee for Nationalities of the State Duma, the Ministry for Federation Affairs and Nationalities of Russian Federation, deputies of State Duma, scientists and experts of the Institute of Ethnology and Anthropology of Russian Academy of Sciences and a number of other organizations.

The borderline for that shift was a year or two before and after the break-up of the Soviet Union, and its indicator - the ever-increasing role of the ethnic factor in the political life, including the State Duma's lawmaking activities. The driving force behind that shift was, first of all, a part of artistic intelligentsia, sincerely concerned over the future and the current state of national cultures and languages, secondly, some specialists, professionally unsuccessful in their respective fields, thirdly, some people from the party nomenclature who changed allegiances from the ideology of communism to the technology of nationalism, and fourthly, some people from the shadow economy. A special role in that process was played by the top stratum of party nomenclature, who were more interested than anybody else in the Soviet society in an expeditious exchange of power for property.

#### ***4. Blackening of All Soviet Heritage***

Humanization of ethnicity became an important stimulus for a search for ethnic attributes and principles in the past history of one's own people. One of the paradoxes of humanization of ethnicity became evident when a number of

young researchers turned to their national history. Two aspects of that process could be noted. Under the influence of the ideologues of neo-bolshevist technologies of revolutionary democratization of Russia, and a forced transition from a planned economy to a market one, as well as of an overnight creation of a civic society ("let everyone be a citizen"), there appeared a group of journalism-crazy historians specializing in slinging mud at the past history of Russia. Another group of researchers carried away by destructive ideas set out "to discover America" naively turning a blind eye to mountains of books on national histories, well-known in very rich ethnography literature under the name of ethnic genesis and ethnic histories. No matter how paradoxical it was, but it was that very blindness, if not just ignorance of historiography, that made it possible to see a significant drawback of those traditional "ethnic histories" that had allegedly been written from the positions of common human ethnicity. However, both groups seemed to have overlooked the most important things. Humanization of ethnicity called for a replacement of common names by proper names. It was because of that very mistake that representatives of the French concept of history (Lucien Febvre) blamed A. Toynbee, the author of a multi-volume "Study of History."

The landslide criticism of everything in the past by democrats of the first wave of romantic rallies and by young reformers of the second post-voucher wave turned out to be incompatible with bright mirages and steep veers (like shooting at the White House) aimed at building a civic society and a society of prosperity. As a result of all the efforts, there was neither a middle class as the driving force for a market economy, nor cosmopolitanism devoid of ethnic coloring as a basis for civic patriotism.

The paradox of criticizing the past as a part and parcel of the ideology of democratization and ethnic mobilization lies in the incompatibility of the colors used to paint the picture of the Soviet life. The whole Soviet-period history is painted black with the help of stereotypes: "Soviet, patriotic, traditional, as well as others associated with these notions - Russian, domestic," - all those are negative (communists: GULAG, repressions; patriots: chauvinism; Russians: drunkards, lazy-bones and idlers, etc). Democratization turned out to be neo-bolshevization, whereas the criticism of the Soviet became similar to criticisms of czarist Russia as "a prison of peoples."

At the same time, the success of creating one of the two influential super-powers was hushed up or completely disclaimed, as well as the decisive contribution into destroying fascism and in leveling the socio-cultural

development of dozens of previously backward nationalities. A simple example: the indigenous population of America fell into oblivion, while the peoples of Imperial Russia, and then of the Soviet Union preserved themselves and created their national intelligentsia ready for national self-rule, which is proved by the fact that there is an efficient and active ethno-political elite. In its historic record, this elite has the sovereignty of their republics filled with real contents (the Constitutional process of 1993-95), the Federal Agreement (March 1992) and the on-going process of negotiations. A paradox stemming from that contradiction: dissociation from Soviet history and debts owed to that very history, is perhaps the most serious hurdle on the way to formulating the all-Russian civic identity for all the citizens regardless of their ethnic or religious backgrounds, as a serious guarantee against destabilization, disorder and conflicts. "What do we have to love Russia for, – I was asked at a conference by Balkarians and Kabardinians, - if it is an evil empire, and it is not comfortable for us to live there?"

The blackening of all Soviet willy-nilly goes hand in hand with rehabilitating "negative historic memory" on a wider chronological scale. In May 1999, I had a conversation with the president of the Republic of Adygeya having published prior to that meeting a book on creation of Adygean statehood. However, instead of discussing the program methods for an ethno-sociological study in that republic, I had for more than an hour to listen to a monologue on the tragic fate of the Adygs and on other century-old events. As if I was to blame for the Russian-Caucasian war of the 19<sup>th</sup> century and as if I was to compensate for the wrongdoings committed by the czarist regime against the Adyg people 100 years ago. The historical paradox of mobilized ethnicity (that made use in that particular case of an ideological pattern of "negative historical memory" which according to former nationalities minister R.G.Abdulatipov "burst into our life together with perestroika") lies in the fact that very often the struggle for the noble goals of national "resurrection" turns out to be incitement of ethnic enmities and discrimination against the non-indigenous population of a given republic.

Instead of calling to a bright future, such ideological patterns based on the rehabilitation and exasperation of the shocking pain of reminiscences, drag to a blind alley of the past and are a catalyst of dangerous inter-ethnic tensions

### *5. Destruction instead of Creation*

Both democrats and nationalists as a radical wing of the first wave of ethnic mobilization were united in one thing: they both privatized the right to privatization. The former proclaimed themselves monopolists on reforms and personal enrichment, the latter obtained a monopoly to lead ethnic mobilization.

The roots of both success and failure of ethnic mobilization lie in technologies of radicalism and fundamentalism practiced by the first wave of rally democracy. That is, perhaps, its main paradox defying complete explanation. Supporters of transfer to a market economy, especially their spiritual leaders, hoped with the help of “shock therapy” to expeditiously create a society of general prosperity leaning on the so-called middle class. The consequences turned out to be lamentable: disintegrated economy and pauperized people. The destructive results of ethnic fundamentalism, and of confessional fundamentalism, associated with it, were the break-up of the Soviet Union and a threat to the unity of Russia.

The priority principle in the practical activities of the ethnic mobilizers, as it was the case with democratic reformers, was Napoleon’s principle “to get engaged first and then to see what’s to be done.” A mechanical transfer of European countries’ experience and a transition from a planned to a market economy forced on the provinces by the center, resulted in a society of almost total corruption and criminality. At the same time, when the ideology of “peoples’ friendship” and “the new historic community of the Soviet people” was discarded, it pushed a lot of the country’s nationalities towards ethnic isolationism and separatism.

Thus, the democrats’ destructive impacts undermined the unity and internal integrity of the state, while the activities of the ethnic mobilizers destroyed the coexistence of Islam, Russian Orthodoxy and other religions.

Both had as their social foundation a relatively thin stratum of population who preached an ideology of nihilism and supported “destructive extremeness,” which, translated into the language of electoral technologies, means that they were targeting protest voters. Leaders of democracy and “fathers” of ethnic mobilization used as their weapon not a struggle “for” something but a struggle “against” something. However, the lethal mistake of that ideology was that it rather carried a destructive charge of isolationism than a charge of solidarity. Both democrats and nationalist only gave an edge to social appetites and stirred up inter-ethnic contradictions.

Historically, nationalism in Russia, and above all ethno-nationalism, has always been an antipode of liberalism, which as a rule is associated with cosmopolitanism. However, in the ethno-political history of the USSR, some time before and after its break-up, something unpredictable happened - liberalism ("democratic camp") got together and merged with ethno-nationalism in their common struggle to dismantle the state and to bury the communist ideology.

As it was the case in early 20<sup>th</sup> century, that alliance of democracy and ethnicity was not destined to bear any good fruit. A big mistake in the theory and practice of liberal reforms and ethnic mobilization was that the reformers and mobilizers were not very competent in the field of social engineering, were ruinously aloof from practical activities, carried away with actions aimed at distribution and redistribution, including those in the sphere of power, and were light-headedly keen on practice that ran ahead of theory. As a result, the nationalities policies of liberal democrats resulted in non-ethnic radicalism of young reformers, whereas democratic inclinations of ethnic mobilizers resulted in creation of ethnocratic regimes or attempts to create them.

On the eve of the break-up of the Soviet Union and immediately after it, the official nationalities policies and the unleashed flywheel of national movements were most commonly acting independently. The transfer from paternalism to the parity in relations between the state and its nationalities expected by sober-minded experts never took place. By the end of 90s, ethnic mobilization died out in some cases, or was suppressed in others, or became unnecessary when its leaders, having attained their goals found themselves in power. However, its potential is far from being exhausted. And in situations when its alliance with politics never materialized, the ethnic factor started getting closer to the religious one with the aim of either coming to power peacefully or grappling for it.

### ***6. Split and Symbiosis of Identities***

Almost all the peoples in the post-Soviet countries have experienced shocks from the Center's reformist activities. There is one fundamental reason behind a lot of paradoxical phenomena caused by that transition: a loss by Soviet people of their common and private civic (state) identity. The Soviet identity collapsed with the system of spiritual and civic values. And as it is the case in nuclear fission, a huge amount of destructive energy was liberated.

Instead of the discarded civic Soviet identity, post-Soviet citizens were offered nothing that was even close to its cementing power, apart from the ideology of “let everybody survive on his own,” which is anti-historical for Russia and a slogan “take as much sovereignty as you can swallow,” which was suicidal for the state.

The abolishment of the entry “nationality” in the passports of Soviet citizens carried out by Yeltsin met with the same amount of resistance as Peter’s the Great decree to shave beards. The paradox here is that wiping up of ethnicity which is similar to letting the genie out of the bottle (“take as much sovereignty as you can swallow,”) was combined with a forcible abolishment (without any advice from the peoples of the Russian Federation) of one of the most powerful markers of ethnic identity.

Politicization of confessional factor in 1990 had become a by-product of ethnic mobilization and at the same time its ally. Both these modernization ethnic and mobilization of confessional fundamentalism aimed to delay modernization and to gain the dwindling self-reliance. At the same time the first stroked for the satisfaction of the “stomach” prosy interests, i.e. for more broad access to power and property while in the center of attention of the second there were the soul and conscience of citizens. The end product of their activities was to save in society those components which are under the threat of the process of modernization and in the course of transformational changes.

### ***7. Russian Language in the Context of New Goals of Linguistic Policy***

The consistent displacement of ethnicity as an object of study from the subject-matter of ethnology to the sphere of first psychology and then of political sciences and law makes a considerable impact on the formulation of new objectives in the field of social and ethnic linguistics.

The language, and especially the choice and use of languages in a multi-ethnic society, and, first of all, in Russian republics that are filling their constitutional sovereignty with real contents, acquires a paramount political significance. Moreover, serious experience is accumulated in understanding that a significant part is played by the language in shifting ethnicity from the sphere of material culture to the sphere of consciousness, self-consciousness and spiritual culture, and further – to the sphere of politics and law. The linguistic planning and linguistic policies, especially in fostering the official bilingualism are, in a way, a continuation of nationalities policies, where they have traditionally belonged. In the republics of the Russian Federation

headed by ethnic presidents, and sometimes by informal ethnic leaders, the language elevated to the status of a state language, becomes an efficient tool for implementing such personnel policies that result in neo-indigenization of organs of state power.

The pinnacle of nationalities movements in Russia accompanied with an upsurge of politicized ethnicity and ethnicization of politics took place in the fall of 1993. After the shooting at the White House, the ethnic tsunami, that is the groundswell of ethnic mobilization stopped being fuelled with new grassroots energy and started losing momentum. However, it seems premature to come to a conclusion that there is any significant decrease in the intensity of nationalities movements or their disappearance from the ethno-political arena. Here is a characteristic example. Mobilized linguistics and ethnicity manifested themselves in the summer of 1998 during presidential election in the Republic of Bashkortostan. There are hardly questioned facts behind the participation of the ethnic and linguistic factors in the political struggle for the supreme office in that republic.

### ***8. Ethnic Factor***

The election campaign in that republic simultaneously played a double role: on the one hand, it clarified the balance of political forces and ethnic movements and allowed an adequate understanding of the complicated nature of inter-ethnic relations and of the problems of the ethno-political situation. On the other hand, it became an additional catalyst rather for an ethnic polarization than inter-ethnic consolidation.

Perhaps, it was for the first time ever, that the national movements of the three biggest nationalities of the republic (according to the 1989 census: Russians - 39.9%, Tatars, 28.4% and Bashkirs - 21%) put forward or supported candidates on the grounds of their ethnic origin. The Russian national movement put forward State Duma deputy A.N. Arinin, a well-known public figure, politician and scientist as candidate for the presidency of the Republic of Bashkortostan, an ethnic Russian. The Tatar national organizations (The Tatar Public Center, The "Azatlyk" Union of Tatar Youth) supported M. Mirgazyamov, a well-known public figure, former Chairman of Bashkortostan's Council of Ministers, an ethnic Tatar. The Bashkir national movement embodied by such influential organizations as the Executive Committee of the World Kurultai of Bashkirs, the "Urals" Bashkir People's Center, the People's Party of Bashkortostan, the Union of Bashkir Youth and a num-

ber of others publicly proclaimed their support for President of Republic of Bashkortostan Murtaza Rakhimov, an ethnic Bashkir. The previous presidential elections, as well as the elections to the State Assembly of the Republic of Bashkortostan never saw such an obvious and downright role played by the ethnic factor in the election campaign, in the activities of the national movements and in the electoral behavior of the republic's population.

A language card was also openly played along with the ethnic one during the above 1998 election campaign in Bashkortostan. Since the formulation and adoption of the declaration of sovereignty, a long and stubborn struggle has taken place in the upper echelons of supreme power of the Republic of Bashkortostan to grant a status of the state language to one, two or three languages: Bashkir, Russian and Tatar. Especial inter-ethnic tensions were caused by repeated attempts to grant the status of the state language only to the Bashkir language or to two languages - Bashkir and Russian. The first attempt took place in 1990, when a draft declaration prepared by the "Urals" Bashkir People's Center was submitted to the Supreme Soviet of the Republic of Bashkortostan. The declaration acknowledged the Bashkir language as the only state language and gave the Russian language a legally incompetent status of a language of inter-ethnic communication.

Sharp protests from the Tartar part of the population and especially from Tatar national organizations, as well as a threat of a devastating ethno-political destabilization prevented the passing of that draft. As a result, the clause on the state status of languages was excluded from the text of the Declaration of Sovereignty adopted on October 11, 1990.

The second wave came in 1992, when the Supreme Soviet of the Republic of Bashkortostan tried to pass a Law on Languages. The draft law proclaimed the Bashkir language the state language of Bashkortostan "as the language of the people that appeared and is tightly living on the given territory as an independent ethnos and had given its name to the republic." Russian was declared a state language of Bashkortostan as a subject of the Russian Federation to be used as "a language of inter-republican and inter-state communication." But that attempt was also a flop. Nevertheless, a year later in 1993, when the Constitution of the Republic of Bashkortostan was adopted, the status of the languages once again found itself in the center of the political discourse. However, the clause on the language qualification for the president of Bashkortostan included into article 92 of that Constitution (A citizen of the Republic of Bashkortostan ... with a good command of

the Bashkir and Russian languages may be elected President of the Republic of Bashkortostan) together with similar clauses included into the two republican laws (“On President of Republic of Bashkortostan” and “On Election of President of Republic of Bashkortostan”) demanding that presidential candidate should know the Bashkir language (as the language of the status nationality), as well as the Russian language (as state language of the Russian Federation) became initial juridical foundation for passing a special Law on Languages.

In December 1998, President Rahimov, quite unexpectedly as observers thought, submitted for consideration of the State Assembly of Bashkortostan a bill “On Languages of the Peoples of Bashkortostan” that was passed in early 1999. The Bashkir and Russian languages were proclaimed state languages. Both during a short discussion of the bill and after its passing, a wave of protests swept throughout the republic. The population, especially the national movements again showed that there was polarization along ethnic lines. The language factor became an objective determinant to that fact. The Tatar and Russian national organizations lashed out against that law, while the pro-Bashkir national organizations, on the contrary, supported it and demanded its expeditious implementation. The worries of the Tatar and Russian populations were caused by a number of articles in that law. Tatars protested against article 3 of the law and demanded a state-language status be given not only to the Bashkir and Russian languages but to the Tatar language as well. “Disregard for linguistic rights of one third of the republic’s population, – said the Executive Committee of the Congress of Bashkortostan’s Tatars in its declaration, – will lead to destabilization of inter-ethnic relations” in the republic. The Russians, as well as other Russian-speaking people of Bashkortostan were very much worried by a clause stipulated in article 14, demanding a qualification exam on the Bashkir language for candidates running for presidency in the republic. In a collective appeal to the President and Prime-minister of the Russian Federation, a group of public figures of Bashkortostan said: “An attempt at a unilateral solution of the language problem in the republic of Bashkortostan to please incumbent President Murtaza Rahimov who tries by shrinking the passive electoral rights to deprive 85% of republic’s population of the right to be elected President of Bashkortostan, is inadmissible.”

In many republics of the Russian Federation, nationalism, mobilized linguistics and mass media are becoming a powerful factor in technologies

of political struggle and make a considerable impact on election returns, as well as on excessive indigenization of bodies of power. A total control over mass media, shifting the accent from the Russian language to the language of the title nationality allow republican authorities, especially ethnic presidents and elites to deny access to TV, radio and the press to undesirable people, first of all, to specialists who do not belong to the title nationality and do not know the language of the title nationality. The republican newspapers every now and then report that in certain republics, people from non-title nationalities experience certain difficulties in their both socio-cultural and political careers, as well as in communications in the sphere of inter-ethnic relations. There are even prognoses that such practices may result in an outflow of the Russian population from certain republics and deprive those republics' leading industries of highly qualified specialists.

#### Ethnic Origins of Migrants in Russian Federation Republics in 1997-98

Republics	1997			1998		
	Total	Including		Total	Including	
		Russians	Title		Russians	Title
01. Adygeya	2398	1605	456	1487	684	385
02. Altai	1147	555	116	905	590	118
03. Bashkortostan	11162	2349	2230	10411	1929	2336
04. Buryatia	-4816	-4175	79	-4851	-4192	-37
05. Dagestan	-4540	-3815	950*	488	-4296	5813
06. Ingushetia	482	-173	522	517	-132	428
07. Kabardino-Balkaria	-564	-599	216	-1291	-1221	117
08. Kalmykia	-1269	-1189	135	-1561	-1018	149
09. Karachayevo-Cherkessia	-399	-570	-20	-573	-783	10
10. Karelia	241	220	43	-195	-214	-11
11. Komi	-11008	-7973	-110	-10612	-7820	-64

\* Among them in 1997, 1,328 people came (Dargins, Avars, Lezgins, Laks, Kumyks), 378 left (Nogais, Tabasarans, Rutuls, Aguls, Tsakhurs). In 1998, 5,813 people came (Dargins, Avars, Lezgins, Laks, Kumyks, Nogais, Aguls), 166 left (Tabasarans, Rutuls, Tsakhurs).

12. Mary El	1089	682	353	1197	681	248
13. Mordovia	-295	-266	-258	-765	-440	-277
14. Sakha (Yakutia)	-17207	-13373	-152	-19666	-14991	-224
15. North Osetia	-1342	-1930	1178	1523	-1607	3225
16. Tatarstan	16361	3390	10315	14286	2732	9411
17. Tyva	-859	-798	13	-619	-648	57
18. Udmurtia	3502	1850	829	3029	1812	672
19. Khakassia	1799	1625	168	1241	1171	150
20. Chechnya	-	-	-	-	-	-
21. Chuvashia	2456	678	1443	3517	939	2176

An analysis of statistics in certain industries supports the poll results that the Russian population in a number of republics experiences a more profound feeling of discomfort than people from the title nationalities. It is still hard to say what is the direct role played among other factors by the ever-widening sphere of the title languages used, among other things, by mass media and by bodies of state government. However, it is a fact that in 1997-98, the number of Russians leaving republics was significantly higher than that of people from title nationalities. In 1997, among 11 republics with a total negative migration balance, 7 (Buryatia, Dagestan, Ingushetia, Kabardino-Balkaria, Kalmykia, North Osetia, Tyva) had a negative migration balance for Russians and a positive one for the title nationality. In other 4 republics (Karachayevo-Cherkessia, Komi, Mordovia, Yakutia) with a total negative migration balance, the number of outgoing Russians was many times (especially in Karachayevo-Cherkessia and Komi) higher than that of outgoing people of the title nationality.

“The ethnic magnetism» of the two republics with a positive migration balance (Tatarstan and Chuvashia) attracted people from the title nationality much stronger than the Russians. So, only in 8 republics out of 21 (Adygeya, Altai, Bashkortostan, Karelia, Mary El, Udmurtia and Khakassia) the number of incoming Russians was, first, higher than that of the outgoing Russians, and, second, was higher than the number of the incoming people from the title nationalities.

In 1998, there were 8 republics with a negative balance of migrating Russians and a positive balance of title people, including Dagestan, Ingushetia, Kabardino-Balkaria, Kalmykia, Karachaevo-Cherkessia, North Osetia,

Tyva. In 5 republics (Buryatia, Karelia, Komi, Mordovia and Yakutia), the share of outgoing Russians was much higher than that of the outgoing title nationalities people. In 3 republics (Dagestan, Ingushetia, North Osetia) with a total positive migration balance, there was a negative migration balance for Russians and a positive one for people from title nationalities. A trend towards greater positive balance for Russians compared to positive balances for title nationalities was unchanged in 5 republics, including Adygeya, Altai, Mary El, Udmurtia and Khakassia.

And finally, in 3 republics with Turcic-language title population, including Bashkortostan, Tatarstan and Chuvashia the number of people from title nationalities who had come to the republic was higher than the number of Russians who had come there. In other worlds, the ethnic magnetism and inter-ethnic consolidation were manifested stronger than the administrative-territorial (republican) magnetism and inter-ethnic integration.

The trends outlined above including the growth of Russo phobia in certain republics, neo-indigenization of bodies of state government, encroachment on the Russian language, the use of the title language as a state one as a factor for driving out the non-title population, first of all Russians, polarization of people along ethnic lines - those and a number of other factors lead to a political destabilization and greater tensions in inter-ethnic relations. Systematic monitoring of those negative processes based on studies that are sufficient in quantity and reliable in quality becomes a pressing necessity for preserving the unity, integrity and normal development of the Russian Federation.

Kamil Aliyev\*

### **Russian Federalism through Ethno-Social and Regional Approach**

According to the 1989 census, there are about 129 million Russians and about 28 million non-Russians in the Russian Federation.<sup>80</sup> However, dominating in the consciousness of the ruling political elite is an orientation towards an ethnic Russian state.

The present-day ideologues of state development in Russia proclaim federalism of a eurocentrist and North-American type as an unquestionable example in nationalities policies. They also associate the regional separatism that became more active over the recent decade, with the fact that in the Russian Federation there are national-territorial entities with a status different from that of regions and territories. They view those differences as prerequisites for regional and national dissociation and propose that they should be done away with by **removing the ethnic factor from the country's administrative and territorial structure.**

In the models of future development formulated by Moscow ideologists, the Russian society appears as ethno-culturally homogeneous ("Russian-Orthodox") discarding almost 28 million non-Russians who do not fit within this model. There is no room left in the symbolic space of an ethnic Russian state for those who do not feel that they belong with the Russian (Orthodox Christian) community. A silent identification of the Russian state with an ethnic Russian state replaces **the political** loyalty with **the ethnic** one, which certainly, does not facilitate the molding of a civic consciousness among the "non-Russians."

As a result, a confrontational mentality appears: the "Russian" side thinks that the Empire brought civilization to ethnic minorities which they repaid with rank ingratitude. The ideologues of ethnic minorities view the situation quite the opposite: it was the unbridled colonizing and expansionist zeal of the Russians that gave birth to a totalitarian monster that brought innumerable ethnic calamities to the non-Russian peoples.

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<sup>80</sup> See: *Peoples of Russia, Encyclopedia. Moscow. Big Russian Encyclopedia, page 433.*

Such an opposition is counterproductive. The supporters of the Russian national fundamentalism will hardly be successful in trying to organize Russia along ethno-centrist (mono-ethnic) lines. Such line of development will be opposed not only by the ethnic mobilization of the minorities but also by a hefty financial and economic potential accumulated in the years of “the parade of sovereignties.” Also, such a development will be checked by the three following factors: 1) deep secularization of the Russian society; 2) multi-confessional and multi-civilization nature of the Russian society; 3) an ever-stronger Islam. All those factors make the implementation of the concept of an ethnic Russian state improbable and non-productive.

It is necessary to clearly and definitely formulate the long-term objectives that we are setting. If the ethnic development is to be executed by bringing the cultures closer together, by self-submission of less developed cultures to the so-called world cultures, by mutual adaptation of ethnic groups through assimilation processes (either voluntary or democratically forceful), then the only possible type of Russian statehood is the **North-American one**. If the objectives of long-term nationalities policies are to really preserve nationalities inhabiting Russia, and to create favorable conditions for their self-development, then somewhat different state landmarks should be chosen, **more typologically individualized than unified**. It must be said that even European federalism is not as typologically unified as it is viewed by some of our researchers. The Swiss, German and North-American federations are significantly different both in terms of formal and substantive features. The individualized federalism is all the more logical for Russia as a multi-compositional, multi-subject formation composed of **dozens of autochthonous nationalities belonging to different confessions and different civilizations, and identifying themselves within the framework of their territories**.

A peculiar feature of federal relations in Russia is the fact that along with regions that still have not been established and have not become subjects of history, there are peoples who had become subjects of history a long time ago. And they are not just ordinary peoples, they are indigenous peoples who had their own statehood in the past and are claiming to restore it at present. In other words, we have to have a clear understanding that the Russian Federation-Russia is a historic successor of all the states and state entities that had taken place on its territory, i.e. the Ancient Turcic and Khazar Kaganates, the Golden Horde and a number of khanates, and not only the

Romanovs' Empire and RSFSR. And as such, the Russian Federation is a national heart, the national center of the Russian people (which will remove demands to "cut out" a Russian republic within the Russian Federation), as well as of all the peoples of the Russian Federation, and not only those having their "title" republic but also all those historically living within the present borders of the Russian Federation if they have no national statehood outside the Russian Federation. Hence, peoples in the Russian Federation are not migrants but competent state-forming subjects and subjects of history.

Now it becomes clear why the proposal not to take into account the ethnic factor in the country's federalization is perceived by those peoples as an encroachment on their ethno-historical subjectivity.

An objective and historically concrete view on the on-going ethno-social processes in Russia brings us to an inevitable conclusion that Russia's constitution within the new borders, as well as the formation of other modern states on the post-Soviet space **is a reflection of planetary regularities, common to all civilizations**. That is why, there is no sense in the search for those responsible for the break-up of the USSR: neither for the domestic ones (those who initiated the denunciation of the Union Agreement in Belovezhskaya Pushcha), or the external ones (like shrewd western ideologues and politicians). In the 20<sup>th</sup> century, all kinds of empires came by different ways to the same end result: monarchies (German, Austro-Hungarian, Osman, Russian), colonial empires (French, British, Portuguese, etc.), and the Soviet one (USSR).

A conceptual approach and not an approach of emotional assessments to looking into the problems of Russian federalism, puts forward a number of methodological and political ethno-social imperatives that are cardinal and interrelated.

1. Understanding of the modern Russian ethno-social reality from typological positions **common to all civilizations** makes it necessary to discard all the selfish slogans of national revival as something that has no substantive and notional basis. Completely natural is the feeling of sorrow and nostalgia for Russia within the borders of the former USSR. Easily understandable are personal dramas and tragedies stemming from the separation of the post-Soviet states. But the word "revival," **firstly**, is not terminologically monosemantic in its modern sense neither in relation to Russia, nor to other ethnic communities or states, and is used by different political forces for populist purposes, and due to that single reason, cannot have any consolidat-

ing potential. **Secondly**, it is destructive as a political slogan, because it facilitates the conservation and strengthening of imperial stereotypes and is incorrect in relation to other states. **Thirdly**, a real revival of Russia within former borders is impossible due to objective circumstances that are not dependent on Russia. Also, for Russia, it is fraught with losses bigger than gains.

In that respect, it is more constructive and productive to speak about **Russia's self-preservation and self-development, about modernizing its statehood and strengthening its federalist foundations than about any revival that is only based on emotions and ambitions.**

In relation to those circumstances, we consider as short-sighted and ill-grounded the political terminology relating to the problem of ethnic compatriots living in the neighboring countries. We all originated from the USSR and the Russian-speaking people in the post-Soviet republics are historically our compatriots in the same degree and measure that Kazakhs, Latvians and Ukrainians. Accentuated attention given to the problem of Russian-speakers in the neighboring countries can engender collisions that were emphasized back in 1977 by F. Capotorti in "Study of the Rights of People Belonging to Ethnic, Religious and Linguistic Minorities." He wrote that any international system for protection of national minorities, especially those having genetic and linguistic ties with foreign countries causes mistrust and worries because it can serve as a **pretext** for interference in internal affairs of other countries.<sup>81</sup>

That is why, if a more or less significant part of a sovereign country's population is proclaimed compatriots of another power, that will hardly facilitate any ironing out of inter-ethnic contradictions. On the other hand, **the Russian internal ethno-political situation** will be involuntarily aggravated by accentuated attention given only to the problems of Russian-speaking ethnic compatriots. Because not only Russian-speakers but also up to a third of Turcic-speakers found themselves outside Russia for no fault of their own (republics of Central Asia and Kazakhstan), or Lezgin-speakers (Azerbaijan). On the other hand, Turcic-speakers dispersed in Russia's neighboring countries ethnically identify themselves not with the Russian-speaking but with Bashkir- and Tatar-speaking ethnic communities. And if all of them are terminologically united on a state level within an amorphous notion of "Rus-

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<sup>81</sup> Related from: Klein, E. *Self-Determination of Nations: Creation or a Dangerous Game?// Public Sciences and Modernity. 1993-2. Page. 161.*

sian-speakers,” that willy-nilly wounds the national pride of both metropolis and foreign ethnic compatriots.

2. Another important methodological demand in understanding modern Russian ethno-social realities is the formulation of long-term nationalities policies in line with social trends common to all civilizations.

The break-up of the Soviet Union and the collapse of communism showed that when ideologically antagonized bipolar stereotypes of thinking were excluded from international relations, that was far from being an end to the real contradictions either between the countries, or between ethnic and ethno-confessional societies, or between social strata or classes. Here we can refer to “The Clash of Civilizations” by S. Huntington. The US political scientist predicts that in the process of reorienting the global politics from a bipolar idologized model to a **polycentric and pluralistic one**, the intercivilization cracks generated by ethnic and religious differences between countries and international communities become **sharper**.<sup>82</sup> K. Mushakoji, a Japanese scientist sees the fundamental reasons behind the former ideological conflicts and the today’s civilization ones that replaced them, in the contradictions between the industrially developed North and the backward South which lead to a crisis of eurocentrist globalism, hegemonism and universalism based on neo-Darwinist principles (“the strongest survives”).<sup>83</sup>

Different attitudes are possible towards perceptions of the future of the mankind as a whole and ethno-social groups and conglomerates, in particular, but the modern history demonstrates very convincingly that neither the widening of the information environment, nor the unified market, or the growth of **education** weakens a trend towards nationality individualization, and a striving of peoples towards ethnic subjectivity and self-identification.

We think that it is a **typological feature common to all civilizations** of both a concrete individual and of ethno-cultural and ethno-religious communities.

Proceeding from such an understanding of nationality self-identification we should not struggle against ethnic aspects in the state system of the Russian Federation but rather return to the notions of “nationalism” and “patriotism” their right to exist in their monosemantic and synonymic meanings and to free them from emotionally colored abusive connotations that appeared as a result of their prolonged ideologized use.

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<sup>82</sup> S.Huntington. *The Clash of Civilizations (fragments from new book)*.//«Pro et Contra», vol.2, No.2, p.147-152.

<sup>83</sup> See: Mushakoji. *Political and Cultural Background of Conflicts and Global Government. Polity. 1991-3.*

By the way, American and European sociologists are more critical in assessing the ethnic situation in their countries than the Russian supporters of eurocentrist federalism. Edward Klein, President of the Sakharov Foundation, for example, says that “the United States has its own complex of problems, relating to ethnic policies, and among them - relations between Whites and Blacks, rights of Indians, status of Puerto-Rico, bilingual education in schools.”<sup>84</sup> He comes to a conclusion that a prosperous and confident of their leading planetary role United States “seems to be moving from the ‘melting pot’ model to ‘cultural diversity,’ that is from their fundamental faith in assimilation to **acceptance of a personal ethnic autonomy.**”<sup>85</sup> Moreover, back in 1972, the United States passed a law that was “a formal acceptance of ethnicity as a positive and constructive force in the American society.” A concept of “cultural pluralism” was adopted as a model for the country’s conflictless ethno-social development.<sup>86</sup> It boils to the acceptance of different ethnic communities with their inherent elements culture and everyday life that exist within the single ethno-political organism. “Cultural Pluralism” as a political project results from the realization of the fact that **the country’s assimilatory efforts are non-productive.** Starting from about the 70s, the immigration countries (and first of all, the United States) quit their efforts to reach the society’s ethno-cultural homogeneity and proclaim as their ideal **integration without assimilation.**<sup>87</sup> The society started to be viewed not as a cultural unity, but as an aggregation of ethno-cultural and ethno-religious communities having equal rights.

So, the civilization trends towards ethnicization of social development demand that the researchers and political figures working in this field formulate a set of clear-cut categories and notions allowing only one interpretation. The ethnic peculiarities reflect the dichotomy (the biological and social essence) of the human nature, and that sense, the Tatar, Chechen, Kumyk (Dagestani), etc., nationalism does not contradict the Russian patriotism. Those notions, in our opinion, are generic ones, and within the framework of a single state, **Russian federalism is a substrate part of regional nationalism.** As for the “clinical” forms of nationalism (a definition by

<sup>84</sup> Quoted from E. Klein, *Op.Cit*, page 164.

<sup>85</sup> *Ibidem*, p. 163.

<sup>86</sup> Kallen H. *Cultural Pluralism and American Idea: an Essay in Social Philosophy*. Philadelphia, 1956.

<sup>87</sup> See: V. Malakhov. *A Challenge to National Society*. “Pro et Contra,” 1998, vol. 3, No. 2, page 141.

Dr. V. Volkan, a psychoanalytic) there are other terms, such as “chauvinism,” “racism,” “nazism,” “fascism.” Those forms are not only anti-national but anti-human, and that is why their propaganda is forbidden by international law. We should also take into account the fact that international documents denounce not just nationalism, but “aggressive nationalism.”

3. The process of national formation on a planetary scale seems to enter its final stage. And each people, quite naturally, strives to gain the internationally recognized nation-forming attributes, the main of which is statehood. The most acute manifestations of those aspirations are national separatism. This problem is relevant not only to developing countries. Powerful separatism movements take place in Spain (Basques), Belgium (Flemings), Great Britain (Northern Ireland), Canada (Francophones in Quebec), Turkey and Iraq (Kurds), India (Sikhs), China (Uyghurs and Tibetans), etc.

Post-Soviet states can also be regarded as a result of national movements having reached their separatist goals. From the ethnic processes developing in those republic we should learn a lesson that national homogenization of society does not save from ethnic conflicts. On the other hand, multi-ethnicity plays a role of a stabilizing factor for social relations. This could be seen by comparing a relatively peaceful development in Kazakhstan with its permanent rivalries between tribal Hordes, and in the Ukraine, with strong contradictions between the western and eastern Ukrainians, on the one hand, with nationally homogenous Azerbaijan, Georgia, and especially Tajikistan, where intra-ethnic contradictions are particularly fervent.

A peculiar feature of the federal relations in the poly-ethnic region of North Caucasus is the fact that ethnic groups are more active there as “subjects of law,” and their interests cannot always be identified with the interests of a Federation subject. In the recent years, ideas of federalization (autonomization) have been very popular there, as well as ideas to form composite, multi-subject republics (Kabarda and Balkaria; Karachai and Cherkessia; Kumykia and Lezgistan; Nogai-Cossack Republic, etc.). With due regard for “ethnic subjecthood” and its popularity in a number of republics (Dagestan, Adygeya, Karachaevo-Cherkessia, Kabardino-Balkaria), the legal status of ethnic groups and their right to representation with the bodies of government is secured by law. So, “ethnoses” here have become subjects of not only national but even federal relations. With the passing of a Russian law on national-cultural autonomy, the legislative foundation of the right of ethnic groups to being subjects of law calls for determining legal guarantees

for each of them including the Russian people. In that respect, it is important to develop and tune up the appropriate mechanisms for exercising those rights.

The recognition of “ethnic subjecthood” leads to forming political principles of relations between ethnic groups and the government. And so, federalism in the Northern Caucasus becomes to an ever greater extent a way of governing in a poly-ethnic region. **Here an ethnic principle in the forming and development of Russian federalism becomes most visible.** Federalism here becomes, so to say, a principle of ethnic division of power between different subjects of law.

A peculiar feature of Russian federalism, having its most vivid manifestation in the poly-ethnic region of the North Caucasus, is the fact that it unites in itself a method of ensconcing peoples and territories within a single state, as well as a method for putting together civilized inter-ethnic relations.

It does not take a prophet to predict a strengthening of separatist feelings in national republics, if in the federal government the upper hand is taken by that very concept of nationalities policies which is thoughtlessly oriented at European and North American **assimilation** models of federalism and sees a solution to the nationalities issues in the development not of national-territorial autonomous statehood but only in cultural autonomy.

4. From a common-civilization viewpoint, even such notion as “national interest” should be somewhat reconsidered. It is only possible to seriously speak about a single national interest or about a hierarchy of national interests if a nation (a state) is “a unity of territory, population, and political power,” which in its turn, implies either an ethnic homogeneity, or an extremely powerful national identity. There is no such a nation in case of Russia. Nationalities here are a space for the interaction of competing subjects, while “the competition space” is not limited to the boundaries of a nationality but rather covers the whole regional array of nationalities. Formal governments are no longer the only subjects of interests. Moreover, very often they are even not the most important representatives of their nationalities. “Hypo-subjects” and “para-subjects” of regional policies are getting ever more active. Such of them, for example, is Organization of Non-represented People (ONP), the members of which are more than forty nations of the world, including Abkhazian, Adygei, Kynyk, Crimean Tatars, Chechen and others. That is why, the national interest is no longer either a sum, or a com-

promise, or even a balance of interests of different groups. We can only speak about an ensemble of interests.

Within that context it is necessary to clearly define the principles consolidating the Russian Federation. First of all, there should be no ethnic Russian unification with the rest of people as “junior brothers.” Secondly, almost equally dangerous is the propaganda of the Russian culture as an ideal and universal unification tool for other cultures. Because from the viewpoint of followers of other great traditions, in particular, of Turco-Islamic one, the universalism of the Russian culture is doubtful enough. Thirdly, one of the most universal ideologies prevailing in Russia – a world religion, be it Islam or Christianity, is being permanently “nationalized.” However, while supporting the Russian Orthodox Church we should not be afraid of Russian Islam either. It had united and enlightened a lot of peoples of the Turco-Moslem world in Russia. Being aware of the fact that Kazan, for example, had been for a long time the spiritual and intellectual center of Turkic peoples of the Russian Empire, it would be a mistake not to use that potential and not to help set up a university that would restore the role of the Turkic-Tatar intelligentsia as the spiritual leader of the Russian East. A clear-cut **Turkic policy** has to be formulated and translated into reality, and the government program “Revival and Development of Turkic Peoples of Russia.” has to be implemented in full. The cultural and ideological potential of Islam and Turkic-Moslem peoples and of their organizations should be more fully used in the spiritual rebirth of Russia.

Federal relations in Russia develop in line with certain regularities common to all civilizations that cannot be disregarded either by the federal center, or the regions (subjects). Experience shows that the array of nationalities problems is infinitely versatile, is hard to be generalized and does not accept any straightforward solutions. Even more dangerous it is to ignore the ethnic factor in putting together federal relations.

A union of peoples and territories is the basis for existence of the Russian Federation as a unified (but not a unitary) state. Its future depends on further strengthening of federalism, on further bringing peoples closer and unifying them (but not merging them together).

That is why it is necessary to clearly formulate the long run tasks we are confronted with. If the development of nations will be based on approaching their cultures, on self-submission of less advanced to the so-called world cultures, inter-adaptation of nations through anabolic processes (it is not

important voluntary or democratic forced), then the only possible pattern of state system of Russia-is **North-American**. If the aims of long-lasting national politic are the real retaining of ethnos living in Russia, creating favorable conditions for them, then the state reference points must be somewhat different more identified typologically, than uniform. It is necessary to say that European federalism is not so typological as it is conceived to some our researches. Swiss, German, North-American federalism is substantively differ both on formal and meaty characteristics. Especially the individualization of federalism is appropriate for Russia as a multicomponent, multisubject formation consisting of many different confessional, differently civilized ethnos identifying themselves with their own territories.

## *§2. Socioeconomic factor of federalization*

Leonid Vardomsky\*

### **Regional Processes in the Context of Russia's Federalization**

The regional aspect of market reforms in Russia in practice came to the decentralization of regional government, conducted under the slogan of new federalization and the revival of local self-government. But because of political and economical reasons, decentralization did not give expected results. It stimulated local initiatives but did not create prerequisites for more effective use and increase of regional resources.

The financial and economic position of the country exerted strong influence on the formation of economic relations between the center and the regions in the 1990s. Due to the manner in which policy was conducted and individual privileges and preferences, the Federal center lost control due to the reduced revenues of the enterprises and the population. Up until 1999, all federal budgets were decreasing. In these conditions, the Center was seeking to pass an ever increasing share of social expenditures on to the regional level. But at the same time, transmissions of equalizing transfers from the federal budget, payments for federal organizations, VPK (military-industrial complex) enterprises were delayed, and approved federal programs were not financed.

Subjects of the federation were obliged to shoulder an ever-increasing part of the responsibility for the social and economical situation in their regions. The federal center could not counteract the demands of regions to increase their share in federal budgets. In 1992-1997, their share in the expenditure part of Russia's consolidated budget was increased from 38.6 percent up to 58.1 percent<sup>88</sup>.

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<sup>88</sup> Arinin Alexsey, Marchenco Grigoryi. *The lessons and problems of Russian federalism formation, Moscow, 1999, TOO «Inteltek», p.172.*

Transmission of administrative functions and budget authorities on the level of subjects of the federation raised some serious contradictions. They are determined by the fact that the regions composing the federation are highly different in demographic and economic potential, dimensions of territories, structure of economics, incomes of enterprises and population. Thus, they have highly different financial bases for realization of their authorities. In 1998, gross regional output per inhabitant in the Yamalo-Nenetskiy autonomous district was exceeded by this index in Aginskiy Buryatskiy okrug nearly in 40 times. In the same year, the difference between the budget revenue per inhabitant of Yamalo-Nenetskiy autonomous district and Dagestan was 89 times<sup>89</sup>.

Interbudget redistributions of financial resources should ease these differences. But they are limited by the capabilities of the federal budget. In 1998, the difference between the most extreme values of budget expenditures per inhabitant was 24 times<sup>90</sup>.

The main contradiction of Russia's decentralization is determined by fact that devolutions were accompanied by stable reduction of financial resources of the overwhelming majority of subjects of federation and local self-governments. At the same time, the financial resources of the country are concentrated in the capital city. On the level of the financial resources in the subjects of federation, as a rule, they were concentrated in the capital towns of regions.

As a result **problems** of Russia's environment have become sharply aggravated. One of them - the growth up till ten times of **contrasts between the regions** is a testimony to the fact that areas with a favorable business environment are shrinking. The active economic life is more and more **concentrated** in a small part of Russia's environment. This part is presented, first of all, by the biggest towns and urban agglomerations. In conditions of economic liberalization, Moscow and the capital cities of the regions are getting additional revenues generated by the capital cities due to their status and innovational superiority. The increasing **rent in the capital cities** is large – for Moscow in particular. The rent is formed because of a higher pricing background, concentration of highly profitable businesses, faster pace of technological innovations, an inflow of additional financial resources,

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<sup>89</sup> *Economics and life*. 19.05.2000, p.31.

<sup>90</sup> Selivestrov Valeriy, Podporina Irina, Bogatcheva Olga and others. *Forming of budget and another financial reserves of regional politics for equalizing of regional asymmetry. Regional politics directed on reducing socio-economic and legal asymmetry, Publication 2, Novosibirsk, 2000 year, Siberian Agreement, p.143.*

etc. But the majority of Russia's regions are characterized by a low potential for self-development.

Thus, a growth of interregional contrasts is one of the regularities of a market transformation reflecting the appearance of territories that either benefit or lose as a result of reform. This growth is determined by the fact that regional economies either have or do not have relative advantages that could be realized under market conditions.

The market transformation and opening of the economy played a catalyst role in the **disintegration** and **fragmentation** of the Russian environment. Those processes are based on both high transportation tariffs and a desire of the Russian Federation subjects' authorities to increase within their authority the reliability of their regional economies, to enlarge the taxation base, to counter the outflow of financial resources to other regions and to invite external capitals to their regions.

Disintegration of the environment manifests itself in the formation of regional markets, different in prices for consumer goods, energy, labor, real estate, etc. The regional authorities and business interests try to replace long (from the viewpoint of transportation expenses) technological chains by shorter ones, to increase the share of processed products and by doing so, to increase the added value created in the region. Foreign credits and direct foreign investments are used for that purpose. All those factors change the inter-regional division of labor that was in place by the time the reform started and weakens the economic cohesion of the Russian environment as a whole.

**The increased regionalization of the Russian environment in terms of gravity towards certain countries and zones of the world** acts in the same direction. For example, the share of the neighboring Scandinavian countries, as well as that of Great Britain and Germany in the structure of external-economic ties of North-Western regions has increased greatly over the years of the reform. In the Far-Eastern regions, the main trade partners are the countries of Asian and Pacific Region, United States and Canada

The geographic structure of Russian Federation subjects' external ties reflects the factor of distance and the interest of foreign business community towards those parts of the Russian environment. We can pinpoint two ways of how foreign countries reach their priorities in Russia. In the first case, those priorities are related to the concrete location of markets, resources, industries and factories that are of interest from the viewpoint of generating revenues and exercising control over their activities. The interests here are usually transnational corporations.

In the second case, regionalization of foreign countries' interests is determined by their geographical or ethnic and cultural proximity to certain Russian regions. For many countries, territorial areas of interests in Russia are formed under the impact of a certain combination of those two factors.

Russia is located between the European, North American and Asian-Pacific poles of the world economy. Powerful "gravity fields" created by those poles inevitably drag into the orbit of their influence those Russian regions that are close to them. The border between the influence of the European Union and the APR lies in East Siberia.

The opening-up of the Russian economy promoted, both directly and indirectly, **the strengthening of a European orientation in the regional ties and economic proportions.** In the above period, the historic trend of an East-bound economic expansion was changed. The development of the North and the East for many decades took place due to tremendous financial efforts by the state. A weakening of those efforts resulted in that process making a U-turn. Migratory flows of people returning to the European part of the country and the concentration of foreign investments there, are a testimony of a new stage in the regional development of Russia.

In 1992-99, there was a dramatic **increase in the importance of international infrastructure** in the regional development. That infrastructure is making an ever-greater impact on the economies of Russian regions. The biggest progress was in the development of international border passages and telecommunications systems. Measures are taken to increase the transit potential of Russian communications. The development of border infrastructure facilitates increased economic activities of the Russian borderland. Not only does it improve conditions for Russia's participation in the global processes, but makes a growing impact on the formation of new regional proportions of the Russian economy. The most dynamic adaptation to the changed realities is shown by the infrastructure of the Moscow region. On the border perimeter of Russia, there appeared several directions where international infrastructure started to develop: the Baltic direction, the Black Sea one, the Belarus one and the Far East one. Also, of a great importance is the development of energy resources in the border areas, in particular in the Sakhalin Region and in the Nenets Autonomous District. An important role for the economic development of areas to the East of Lake Baikal that border with China could be played by energy projects (electricity lines, oil and gas pipelines for large scale energy export to China).

The above processes of regional development reflect the adaptation of the Russian environment to market transformation and conditions of an open economy. Located in that environment are subjects of the Russian Federation that, as it is stated in the Constitution of the Russian Federation, are equal in their relations with the federal bodies of government (Article 5). The formal legal equality with unequal positions in terms of geography, transportation, availability of resources, degree of development, structure of economy gives rise to contrasts in the regions' socio-economic status and development prospects. Federal transfers and programs have been unable so far to check the trend towards a deepening divergence into "rich and poor regions." This situation forces the regional authorities to look for ways to spur the economic life, among other things, by protectionist measures. In doing so, they are at odds with article 8 of the Constitution that guarantees the unity of the economic environment, free movement of goods, services and financial resources, support for competition and freedom of economic activities.

The growing discrepancy between the norms of the Constitution and other federal laws and the real on-going processes has quite a specific economic foundations relating to high risks of economic activities in Russia.

Everywhere in the world, people know that Russia has an unfavorable investment climate. There are both subjective factors behind it - poor economic decisions, excessive politicization of the economic life, a lack of political will to implement taken decisions, contradicting interests of political and economic elites, criminalization of the economy, illegitimate privatization, etc., as well as objective ones - inherited economic structure, peculiarities of the country's geo-economic location, strong dependence of the financial situation on the changing prices on energy, metals and certain other commodities, mainly with a low degree of processing.

Russia, unlike Western and Central Europe does not have a compact and territorially monolithic economic nucleus. The territorial structure of the Russian economy was historically formed as a conglomerate of industrial bases as the economic development was moving from west to east. **As a result of all that, Russia has inherited from the past an enormous periphery with a lack of big centers.** As a result of that, a considerable portion of the total risks is due to small populations in a majority of Russian Federation subjects, narrow specialization of regional economics which gets worse as you move from west to east, inadequate infrastructure, big inter-

regional differences in the levels of socio-economic development, and the fact that the major part of the country is very remote from the most developed parts of Russia, and especially from foreign investment sources.

The above features of the Russian environment come into contradiction with demands of a market economy. Inadequate infrastructure with a low population and economic density, a territorial “gap” between the production of capital goods and consumer goods, the seasonality of a lot of Russian manufacturers objectively make the economic activities more costly and demand higher working capital. **All those factors and conditions produce high risks of entrepreneurial activities.**

Considerable differences between the center and periphery in the Russian environment are reflected in the contrasts between the Russian Federation subjects in terms of potential capital investments and conditions for making them. This is substantiated by studies aimed at rating Russian Federation subjects in terms of their investment attractiveness. The most popular is the now periodic investment rating of Russian regions by “Expert-Geography” consulting agency, a rating by “Expert-RA” rating agency, and study done by the Expert Institute of the Russian Union of Industrialists and Entrepreneurs known as “Entrepreneurial Climate of Russian Regions.” A similar study was done by the Institute for Advanced Studies, Vienna in 1998.

Without discussing the methodological advantages and disadvantages of these studies, that are certainly useful in scientific research but are of a limited value for taking specific investment decisions, because they are based on a formal statistical approach to looking at regional cells. In my opinion, the investment attractiveness of Russian regions should be assessed within the system of the Russian environment. Given such an approach, for example, we take into account the fact that within 1,000 km from the town of Saratov there are 40% of the Russian population and 45% of GDP. Within the same distance from the town of Irkutsk there is as little as 5% of the population and approximately the same share of GDP. However, “Expert” places the Irkutsk region ahead of the Saratov Region in terms of their investment potential.

In our opinion, the real correlation of regions in terms of their investment attractiveness could be arrived at by looking at the distribution of direct foreign investments (DFI), because foreign investors are much better at calculating risks. We can emphasize several main regularities in the distri-

bution of DFI in 1992-1999: (1) foreign investments evaded peripheral territories and focused on central ones, particularly the Moscow Region; they gravitated towards the capital cities of Russian Federation subjects, and concentrated in the European part of the country; (2) DFI gravitated towards oil-extracting regions; (3) increased attractiveness of littoral areas, in particular, DFI had high relative indices in the Far-Eastern territories and regions.

At the same time, investments were made into such lines of business where high risks were balanced with adequate profits (40% and more). In main towns of Russian Federation subjects, as a rule, there are 60-90% of all the businesses with foreign participation operating in the regions. Under the conditions of economic instability, advantages of the capital city allow foreign investors to do away with a part of risks. Big towns are economically active parts of the national environment with a relatively high receptivity to innovations, they are economic centers of large territories and have relatively favorable infrastructures and geographic locations.

The role of a geographic factor is illustrated by investment policies of large transnational corporations in Russia. For example, Swiss company "Nestle" bought controlling interest in confectionary factories in Samara, Perm and Barnaul. Those are big towns with large zones of market attraction in the Volga area, the Urals and West Siberia. A US company "Pepsico" having a big investment program in Russia (11 factories and 29 production lines) with a total value of \$550 million, is also based in big towns that are centers of big markets. Already operational are factories in Moscow, Saint-Petersburg, Yekaterinburg, Nizhny Novgorod, Krasnoyarsk, Samara, Rostov, Orel, Sochi and Kaliningrad.

In certain cases, foreign investors prefer locating new factories outside big agglomerations, but close to them. For example, British "Cadbury Schwepps Group" built a big confectionary factory (\$120 million) in the town of Chudovo (the Novgorod Region) targeting primarily the markets of Saint Petersburg and Moscow.

The modern trends in locating investments are largely determined by the extremely uneven location of credit organizations. According to an assessment by the Central Bank of Russia, in 26 Russian regions, there are not enough banking services available. At the same time, in Moscow there are over 40% of Russia's credit institutions and over 60% of the largest ones.

The low level of banking services dooms the regions to lagging behind economically with all the ensuing social and political consequences. In that

context, of a great importance for a lot of regions are small-scale regional banks (with an equity of less than 1 million Euros), which reflects the financial potential of a greater part of the Russian territory with a sparse population and economy, with peculiar production and technological ties, as well as a high seasonality.

When branches of medium and big banks replace small-scale regional banks, it creates, as is shown by the experience of recent years, a danger that already scarce regional financial resources could be channeled to financial centers. At the same time, credit investments into small business and agriculture can be more efficiently managed by an independent entity than by a branch.

In Russia, with its export base and low competitiveness of import-replacing industries, the currency exchange rate becomes another important factor giving rise to entrepreneurial risks. The experience of recent years shows that in order to stimulate the national economy with its low efficiency, the current ruble rate should be at least two times higher than the ruble purchasing power parity with the dollar. Let us remind you that in 1992, the average difference over the year was 9.4 times higher, in 1993 - 4 times, in 1994 - 2.4 times, in 1995 - 1.75 times, and in 1997 - 1.35 times. In late 1998, after a sharp threefold devaluation, the difference increased up to 2.5 times which provided for increased profitability of exports but dealt a hard blow against importers.

Research by the McKenzie international consulting company showed that in Russia, considerable potential risks are associated with the support by the bodies of federal and regional governments of some privileged companies, with a low efficiency, as a rule<sup>91</sup>. The support is in the form of taxation and customs privileges, state orders, low energy tariffs, the use of mutual settling of accounts and barter. It increases the risk for companies that do not have such kind of support.

There is a social and budget motivation behind the unequal competition environment created by the authorities which is clearly seen in the policies steered by a lot of Russian Federation subjects. As a result of this artificially created inequality, some businesses (privileged ones) have lower risks at the expense of others having higher risks. Thus, the fragmented environment slightly decreases the risks for the privileged business in the region, but increases them to a much higher degree in the whole of the country.

Decade of reforms proved that decentralization in the framework of federal relations and local self-government can not form basis of a regional

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<sup>91</sup> 8% increasing per year. «Kommersant». № 191, 19.10.1999, p.8.

policy of state. Enlargement of rights and authorities of Russian Federation subjects in itself is not able to eliminate territorial disproportions. On the contrary, federalization in modern Russia improves these disproportions so long as the strong regions benefit by them.

In the time of limited financial capability of the state applied implementations of regional policy of RF as budget transfers and federal programs turn to be inefficient. Measures of regional policy are much more powerless in influence on regional processes than macro economic regulators, such as currency rate, customs-tariff, interest rate, tariffs of natural monopolies, etc. At the same time regional policy is isolated from the financial, export trading, customs policies.

Not only modern regional problems, but the other ones as well like, for instance, sharp problem of debts or necessity of stirring up industry policy, demanding centralization of financial resources, encourage federal center to restore vertical structure of power and improve elements of centralization of power. This policy appears in centralization of budget resources of the state. In the 2000-2002 budget, the share of regional budgets from the consolidated budget is reduced by 40%. The federal center sees the solution of the problem of weakening of protectionism and dissociation of regions in toughening control on activities of local government and slackening its political influence. Therefore, the election order of the Federation Council has been altered; for case of violation of federal legislation by local government mechanism of federal interference is created; institution of representatives of the President of RF is started to act in seven federal districts. The law on strengthening dependence of local self-government from federal and regional authorities is approved. Matter of the President's direct assignment of governors of regions is discussing. Disputes on extensions of subjects of Russian Federation by reconsideration of administrative-territorial system still do not become calm. However these enlargements cannot change the situation on principle, because the question is the quality of environment of the country.

Nowadays federal center does not have any real possibilities to influence upon regional processes. **Restoration of vertical structure of the power shall not affect on reasons of negative regional processes.** In fact Center fights external appearance and consequence of these reasons, not the reasons themselves.

The existing big inter-regional differences in terms of competing conditions for investment cannot be leveled in a foreseeable future. But they can

be alleviated by targeted partnership policies of the federal center, regional authorities and investors. In the medium- and long-term policies of the federal center, in our opinion, two interrelated goals should be set: **increasing the profitability of the economies of those territories that have prerequisites for that, and purposeful emigration of people from those territories that have no chances for an economic revival in the foreseeable future.** In effect, it means that certain mechanisms should be created to regulate and coordinate the territorial mobility of capitals and population.

**The proposed limitation of regional administrations' authority, in our opinion, is only logical within the context of bringing it in line with the functions performed.** The authority of the regional government should be balanced through material resources with the functions performed by that government. Correspondence of regional legislation to the federal one is a must, especially in cases when it provides for equal competition for businessmen.

The main task of the federal center today is **to improve the investment climate** in the country by steering appropriate taxation, customs and monetary policies. The revival of import-replacing industries that took place after the devaluation, stresses the need for keeping an exchange rate that would be favorable for the economy. The macroeconomic parameters should fully take into account the unfavorable economic environment in which Russian companies work.

At the same time, it is necessary to take into account all the aspects of the country's diverse environment. **A desire to treat Russia's environment as a homogeneous medium in the process of macroeconomic regulation is virtually one of the main reasons behind the growing socio-economic contrasts.** Nevertheless, the unified approach prevail. We think a more active use of a **differentiated approach** is inevitable in economic policies - the diversity of the Russian environment should be matched by a system of instruments of those policies that are sufficiently diverse in terms of time and space. This can be achieved both by passing the appropriate federal legislation and by increasing the powers of regional and local authorities.

To reduce the potential for entrepreneurial risks in taxation, credit, currency, budget, customs, pricing, etc. policies in relation to products of natural monopolies **it is necessary to take into account all the consequences of the taken decisions and to neutralize in due time the expected negative phenomena.**

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Within the framework of a differentiated approach, the federal center has to participate in financing the infrastructure, especially in building modern roads and communication systems, to channel foreign credits to projects that can improve the regional proportions, to facilitate the development of the regional economies' strong sides and to increase their capacity for **self-development**. Internet technologies are very promising for the leveling of regional developmental levels and for improving regional proportions.

The problem of adaptation of the Russian environment to openness should be resolved hand in hand with the problem of diversification of Russia's international specialization within the system of global economy with the help of high-tech industries. Given the scarce financial resources, these problems can only be solved within the framework of **a program approach**, with a strict control over the transnational movement of national financial resources and with a wide-scale attraction of foreign investment. **Regional development programs** with due regard for potentially strong and weak aspects of regional economies can play an important part in the lowering of regional entrepreneurial risks.

Gouzel Singatullina\*

**Diversity of regions' social and economic development and problems of budgetary federalism**

The budgetary federalism assumes, that the financial relations of Russia's regions with the federal center are aimed at efficient creation and use of national financial resources. These relations are set up with consideration of the historical, geographical, political, economic and ethnic-cultural factors.

The problems of budgetary federalism are especially urgent for Russia with its geographical extent, and historical and national specificity of certain regions. By the start of market reforms Russia was and still is a highly centralized, but poorly governed state, despite its officially being declared the federal state and actively negotiating the processes of the agreements about distribution of authorities between federative center and the entities of Federation.

The decentralization of financial resources is expedient in such degree, as it allows to fulfil state functions with maximum efficiency at all levels. A number of functions are of national character (defence, state security etc.), therefore decentralization of financial resources is not vital for their accomplishment. The costs of financing of these functions should be shared by all entities of Russian Federation, and this is achieved by splitting the tax system and by forming the federal budget.

The relations of the federal subjects' budgets with the federal center cover the following directions: 1) distribution of taxes to the levels of the budgets; 2) budgetary equalizing; 3) loan-administrative relations; 4) targeted relations.

The basic directions of reforming the pattern of budgetary federalism are:

- Reforming the working model of differentiation in rights of management and account authorities between the federative center and entities of Federation;

- Reforming the working model of differentiation in tax authorities and the current scheme of compensating for the vertical disbalance in the budgetary federalism system;

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- Creation of the compensation/leveling pattern for the horizontal financial disbalance, creation of the scheme of lining payments;
- Creation of the program schemes for long-term leveling of social and economic development in the federal entities of Federation.

The overestimated level of centralization takes place practically in all elements of budgetary federalism system. In tax system it is manifested in: 1) domination of the federal taxes in the revenues of the budgets of all levels; 2) on the majority of the taxes of the entities of Federation both local taxes and collectings formation of tax base and the borders of the tax rates also are regulated by the federal legislation; 3) the distribution pattern of the tax incomes (VAT, income tax), bringing the central budgets and entities of Federation in tight connection with each other, is actively used in Russia.

Among the current mechanisms of leveling the horizontal financial disbalance and the system of financial flattening the domination of a federal beginning is manifested in: 1) conservation of significant redistributed financial flows, which are becoming isolated on the federal budget; 2) construction of a system of transfers, where the article by article accounting of the budgets' incomes and expenses in the federal entities is made at the federal level; 3) hidden redistribution of incomes from the private stable sources is made through the system of transfers.

The most painful component of the interbudgetary relations is the distribution of authority rights and accounting responsibility. The acting Constitution of Russian Federation determines the authority rights and joint management rights of federal center and its entities. The question on the rights of the entities has not been considered yet. The expenses on financing of the national defence, international activity and service of the national debt are under the exclusive federal jurisdiction. The entities of Federation have the expenses on maintenance of municipal economy under their exclusive jurisdiction. All other categories of expenses are realized at the expense of the both levels' budgets. Thus the following tendencies are reviewed:

- Regional budgets fund a larger part of expenses on social-cultural events;
- Share of the federal budget in total amount of the grants to the agriculture is minuscule. The main load here is carried by the federal entities' budgets;
- If earlier the larger part of expenses on industry and construction was with the federal budget, now budgets of the entities of Russian Federation fund almost half of these expenses;

- There is financing in the hidden form at the expense of the federal budget of a part of expenses on municipal economy of the separate entities of the Federation. It concerns those entities of Federation, where the own revenues of the budget do not cover even this one item of expenses;

- insufficient financing of separate categories of expenses from the federal budget results in the fact that some articles, which are in complete competency of the federal level, begin to be funded from the budgets of the entities of Federation.

The main direction of reforming the differentiation pattern of the accounting responsibility becomes the precise and unequivocal distribution of the responsibility on financing concrete categories of expenses from the budget of the appropriate level and not permitting both hidden redistribution of authorities for the benefit of the entities of the Federation, and relaying of the responsibilities of the entities of the Federation on financing expenses on the federal budget.

Three basic patterns of tax authority distribution are widely used in the world practice of budgetary federalism: distribution of tax sources and their separate use; the subsequent separation of a part received by the federal budget from separate use of these revenue sources; sharing the same tax base.

#### Distribution of tax authorities

<i>Types of tax payments</i>	<i>Separate use of tax sources</i>	<i>Joint (parallel) use of tax bases</i>	<i>Division of the received tax incomes</i>
The profix tax		Canada, USA, Russia	Germany
Incom tax from the natural entities		Canada, USA	Germany, Russia
THE VAT	Canada		Germany, Russia
The sales tax	Canada, USA		
The excises		Germany, Canada, USA	Russia
The property taxes	Germany, Canada, USA, Russia		
The taxes to natural resources	Canada, USA	Russia	

In different countries there are used different patterns. So, in the German pattern of budgetary federalism there prevails the division of the received tax incomes between the federal budget and budgets of lands. In the USA and Canada the division of the tax incomes is not applied. These countries build tax systems independent of Federation and entities and use the patterns of separate use for tax bases.

At present all three basic forms of distribution of tax authorities between levels of budgetary system are formally used in Russian Federation, but the role of these three forms is not identical. There definitely prevails the division of the federal taxes between the budgets of all levels, the second significant form would be sharing the profit base, and the role of separate use of sources is minuscule.

Considerable overestimation of the status of many federal taxes results in the necessity to distribute practically all federal taxes between the federal center and federal entities. As a consequence there are significant redistribution flows, powerful counter flows of financial resources, constant conflicts concerning transfer of taxes and standards of their distribution.

Main directions of reforming the system of budgetary federalism concerning the distribution of tax authorities would be the following:

- The unequivocal definition of the taxes, on which sharing of tax base on the part of the federal budget, budgets of the entities of Federation, local budgets can take place;

- Unequivocal definition of tax sources completely fixed with the entities of the Federation as sources of the revenues of the appropriate levels. It seems expedient to transmit to the jurisdiction of the entities determination of taxed base and rates in this category of the taxes, having kept for the federal level only establishment of general principles of the taxation of the given entities;

- Unequivocal settlement of the property right concerning various kinds of natural resources with all entities of Federation. This settlement should include not only a generalizing formula about joint or common property on certain resources, but also the mode of their operation, right on the taxation, the mode of use of the incomes from the property on resources etc.;

- Binding the admissibility or impermissibility of carrying of various elements of economic (in particular tax) burden beyond the limits of the jurisdiction of the federal entity.

One of the main shortcomings of Russia's pattern of budgetary federalism is acute vertical disbalance of the budgetary system, expressed in discrepancy between budgetary abilities and the actual expenses of the federal entities.

The hypertrophied growth of an accounting load on a subfederal level of the budgetary system causes the subsequent redistribution of finances between parts of this system, leads to creation of counter financial flows, creates artificial subsidiarity of the territorial budgets and increases number of the regions - receivers of financial support. We are speaking here about the refusal from policy « of a whip and a carrot » and the formation of new, stimulating interbudgetary policy, which would be promising both for the territories - donors, and the recipients.

The necessity of leveling transfers is predetermined by a large extent of differentiation of the entities of Federation by their level of economic development, financial potential, budgetary income per capita. In Russian Federation the parameter of GNP per capita varies from minimum to maximum within the limits of 14,5 times (in Australia 1,4 times, Canada - 1,8 times, Switzerland - 2,2 times, Brasil - 8,3 times).

The working model of transfers at the expense of federal fund of regions financial support, despite its being constantly improved, does not yet meet the requirements of efficient development of national economy. The leveling is made practically on all set of profitable sources disregarding the status of these sources. It results in the indirect hidden redistribution of the incomes from the actually fixed or own sources from one entity of the Federation to the other. Thus the motivation for the subjects of Federation to expand their own profitable base is thus liquidated, as any gain of income is subject to redistribution in comparison with the average of the federal entities receiving transfers. And only if the entity of Federation does not receive transfers at all, is the gain of its budgetary incomes above the average meaningful for it, as it remains under its control.

The of the budgets by the level of incomes in conditions of essential objective differentiation of the level of incomes of the population and price level in regions does not lead to real flattening of financial possibilities of regions on ensuring of the defined standard set of state services for the population. Attempts to introduce corrections on a ratio of expenses per head (by economic regions or groups of regions) attract interest of entities of Federation in escalating current expenses to the detriment of to expenses of capital character. The accounting of current expenses and the ensuring the entities of Federation of the incomes, sufficient to cover a certain level of current expenses in a certain planned period, introduces a subjective element.

It seems expedient to reconsider the approach to definition of transfers and henceforth to understand financial leveling not only as the flattening of

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the incomes of the budgets of the entities of Federation, but also a financial mechanism of leveling the financial possibilities of ensuring certain standards (or minimum guaranteed) level of state services to the population.

Adoption of the Law about budgetary leveling agreed on by all federal entities could be the nucleus of reforming the horizontal leveling pattern. It is the law, but not the annually reviewed technique, that should regulate principles and mechanisms of granting lining transfers to the regions. Thus, the normalization of the interbudgetary relations demands creation and legislative binding of the precise and transparent horizontal leveling mechanism, which would not permit hidden redistribution of authorities and functions.

The practice of transfers from the federal budget in the budgets of the entities of Russian Federation not only has not resulted in leveling the level of social and economic development in regions, but has also aggravated their differences. The dependence of regions on the help from the federal budget grows. In these conditions it is necessary to make basic changes of the transfers policy directed on raise of financial independence and the responsibility of regions, encouragement of their own efforts in overcoming budgetary crisis, escalating of profitable base of the regional and federal budgets, acceleration of social and economic reforms.

The modernization of the budget-tax relations within the framework of the accepted pattern of fiscal federalism should be aimed on: 1) clear division of authorities between levels of power, on which basis it is necessary to define the limits of obligatory budgetary expenditures of each level; 2) change in tax revenue proportions in the budgets of different levels with the ultimate purpose of reducing the regional and local budgets' dependence on subsidies and raising their financial self-sufficiency; 3) transition from the universal grants to the system of extremely localized subventions; 4) use of special procedures to increase the financial region support productivity.

Leonid Vardomsky, Yelena Skatershchikova\*

**Peculiarities of External Economic Ties of Russian Federal Regions within the Context of Their Social and Economic Development**

In Russia, regions are very different in terms of their involvement in international economic ties, though from an institutional viewpoint, liberalization is equally valid throughout Russia. To a great degree this situation is caused by the hangover from the past, though on the other hand, it is under a no small impact from the regularities of market relations, as well as from policies steered by the federal center and the subjects of the Russian Federation.

Under the state monopoly on foreign ties with centralized distribution of revenues from foreign-economic activities within the Soviet Union budget, those differences were of little importance. However, under federalism and market relations, the volumes of foreign-economic ties are closely related to the financial status of Federation subjects. The differences between the regions in terms of intensity of their external economic ties cause inequality between their level of financial resources that could be used for consumption and saving.

If we distribute the total volume of Russia's exports (\$66.7 billion in 1998) among the regions where the corresponding commodity flows originated, we will have the following picture.

From that particular viewpoint, all the regions can be subdivided into three groups.

The first will include 16 billionaire-regions, accounting for 75.8% of all Russia's exports\* \*.

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\*\* In Russia, there are 16 Federation subjects with exports exceeding \$1 billion including direct and indirect shipments of commodities and services: Moscow, Tyumen Region (with the Khanty-Mansi and Yamalo-Nenets Autonomous Districts), the Krasnoyarsk Territory (with the Taimyr and Evenk Autonomous Districts), the Sverdlovsk, Irkutsk, Chelyabinsk Regions, Saint-Petersburg, the Perm, Vologda, Leningrad Regions, Republics of Tatarstan and Bashkortostan, the Moscow, Samara, Kemerovo and Lipetsk Regions.

The second - 16 regions with exports from 0.5 to 1 \$ billion, accounting for 15% of Russia's exports. 23 regions had exports within \$100-500 million and 24 regions had exports less than a \$100 million including the 13 regions with less than \$50 million.

The second echelon is comprised by 17 Russian Federation subjects with exports of \$500-1,000: the Khabarovsk Territory, the Orenburg Region, the Murmansk Region, the Republic of Sakha, the Nizhny-Novgorod Region, the Tula, Volgograd and Belgorod Regions, the Republics of Karelia and Komi, the Rostov Region, the Krasnodar and Primorsky Territories, the Tomsk, Omsk and Archangel Regions (with the Nenets Autonomous District).

And, finally, the third group is comprised by 47 regions with exports under \$0.5 billion, with a total export volume of 9.2%.

The inter-regional differences in export operations are enormous.

In terms of absolute export values, the Russian Federation subjects differ from each other by thousand times: from \$8 billion in the Tyumen Region to \$500 thousand in the Republic of Tyva. Per capita differences between the regions in terms of their export activities are equally high. In 1998, only 18 regions had that index above the average Russian level of \$ 455 (\$600 in 1996): the Tyumen Region, Moscow, the Vologda Region, the Krasnoyarsk Territory, the Leningrad Region, the Lipetsk, Irkutsk and Murmansk Regions, the Republic of Sakha, Khakassia, Karelia, the Kamchatka Region, the Khabarovsk Territory, the Sverdlovsk and Perm Regions, the Republic of Komi, the Tomsk and Chelyabinsk Regions. And only the former four ones had per capita export figure higher than the average world level of \$900.

In the majority of regions with big export volumes, exports radically exceed imports. In the first six months of 1999, given Russia's general positive trade balance of \$16.4 billion, 54 Russian Federation subjects had a positive balance of \$18 billion with 25 regions having a negative one of \$1.6 billion. As compared with the similar period last year, the number of Russian Federation subjects with a positive trade balance increased by 18 regions.

Negative trade balances are characteristic of border and Far Eastern regions with relatively high volumes of unorganized (shuttle) trade. Most Russian imports come through those regions to be spread all over the country by small-time wholesalers and unorganized traders.

The situation under discussion is an extremely dynamic one and vacillations in exports are considerably higher than those in manufacturing, demand and supply on the domestic market.

All the subjects of the Russian Federation had import operations with non-CIS countries, whereas all but the Republic of Tyva, the Chukchi Autonomous District and the Magadan Region had import operations with the CIS countries.

With imports to Russia generally going down, 17 regions showed an increase in imports from non-CIS countries, and 5 regions - from the CIS countries. A number of regions had a relatively smaller decrease of imports as compared to Russia as a whole: 30 subjects had it with non-CIS countries, and 37 with CIS countries.

The characteristic commodities in Russian regions' exports are still the following ones: fuel and energy, ferrous and non-ferrous metals, that accounted for 63.1% of export value. Machine-building products accounted for 9.7% and petrochemical products for 8.5%.

The main share of Russian Federation subjects' imports was products of machine-building and raw materials for it, as well as petrochemical products that accounted for over 78.8% of the whole imports.

An analysis of foreign-trade development allows to isolate several typical groups among Russian Federation subjects with characteristic peculiarities of their export and import activities.

**The first group** is Moscow and Saint-Petersburg that perform important intermediary functions in servicing Russia's foreign-trade turnover, which is dictated by their transport and geographical location, a well-developed banking, communications and warehouse infrastructure, and abundance of highly-qualified personnel and necessary information. Those functions were developed in such a way first of all due to Moscow's capital-city status and the role of megalopolises in the economic life. The volumes of foreign-trade activities in Moscow are several times higher than those of the northern capital because of Moscow's political and financial importance. Both capitals' own export potential is insignificant, but they play enormous parts in promoting Russian goods to external markets and in distributing imports throughout Russia. Saint-Petersburg plays an important role in providing for foreign-trade ties in the Baltic region and Northern Europe. The area of Moscow's foreign influence is much wider encompassing not only the country's European center, but the regions of the Urals and Siberia, as well. The level of per capita exports in this first group of "the two capitals" is \$1,300.

**The second group** is comprised by the old industrial regions with powerful and versatile economies, where Russia's significant export resources

are focused. Their exports are based on 3-4 big commodities, such as energy resources, metals, chemical products, timber and paper products, machines and equipment. The biggest in terms of their foreign-trade volumes are the Irkutsk, Orenburg, Perm, Samara, Sverdlovsk, Nizhny-Novgorod and Kemerovo Regions, the Krasnoyarsk Territory, the Republics of Tatarstan and Bashkortostan. Their exports are significantly higher than imports. We can also place in this group the Volgograd, Leningrad, Omsk, Tomsk and Tula Regions, the Udmurt Republic, the Chelyabinsk and Yaroslavl Regions. However, their foreign-trade volumes are significantly smaller. The levels of per capita exports vary from \$300 to \$800.

**The third group** is comprised by the regions which have one or two predominant industries of outstanding export importance for Russia. Those export industries provide for the stability of the whole region's economy. Such regions with a mono-product export structure is the Khanty-Mansiysk and Yamalo-Nenetsk Autonomous Districts, the Vologda, Lipetsk, Murmansk, and Belgorod Regions, the Republics of Karelia, Komi and Khakassia. Those are regions of a relatively recent industrial development with main industries widely engaged in foreign-trade ties. The exports in those regions are also significantly higher than their imports. The level of per capita exports within that group is \$1,100.

**The fourth group** is comprised by the regions with considerable export potential that they have due to their border locations and large international communication lines with a lot of trade done by mediators and shuttle traders. Those are the Kaliningrad and Rostov Regions, the Krasnodar, the Primorsky, the Stavropol and Khabarovsk Territories, as well as the Moscow and Novosibirsk Regions. In those regions, imports are either greater than exports or approximately equal to them. A big chunk of exports there is transportation services. The level of per capita exports in those regions vacillated in 1998 within \$ 100-500.

**The fifth group** is characterized by a low involvement in foreign trade. Those are mainly regions developed some time ago, with predominant machine-building and defense industries, as well as light, food-processing and other processing industries. That is why their export potential is limited, and because of their inland locations they cannot import on any large scale. The regions of that group are: the Altai Territory, the Voronezh, Vladimir, Kaluga, Kirov, Kostroma and Kurgan Regions, Republics of Mary El, Mordovia, the Penza, Saratov, Tambov, Ulyanovsk Regions, the Chuvash republic, etc. Per

capita exports in those regions is less than \$200. It should be mentioned, however, that the growth rates of exports in those regions are higher than in the regions belonging to other groups.

The **sixth** group is comprised by border regions without any considerable export potential. Those are either regions with a low degree of economic development, or those considerably behind in terms of their socio-economic development. They are the Russian Federation subjects located in the Far Eastern, East Siberian and North Caucasus parts of the country: Republics of Altai, Buryatia, Tyva, the Astrakhan, Amur, Magadan and Chita Regions, the Jewish Autonomous District, Republics of Northern Caucasus. Imports in those regions are, as a rule, higher than exports. The level of per capita exports in that group is only \$64. In both absolute and relative indices of foreign trade those regions are behind the regions in other groups.

So, we have isolated six groups of Russian regions with per capita exports ranging from \$1,300 to \$64. The differences between them are so great and so objective that there is no question of a unified foreign-trade environment in Russia. From that particular viewpoint, the Russian Federation is a conglomerate of regions with completely different potentials, and even more different interests that already start to contradict one another. And with the growth of a real sector in the economy, those differences will only get worse.

In that respect, it is extremely important to compare the external economic openness and financial status of regions that make a decisive impact on the development of the regions' foreign-economic relations.

If "financial status" is a generally accepted and clear term, then "external economic openness" means a degree of Russia's and its regions' involvement into the world economy and degree of liberalization of foreign trade.

Given the high entrepreneurial risks on the domestic market, a chance to work on external markets has become a vital necessity for businesses. Exports mean getting "live money" and international recognition of manufactured products, as well as stronger positions on the domestic market. "Shuttle activities" of people resolve to an extent the employment problem, creating a competitive environment on the domestic consumer market, revitalizing trade, tourism, transport, credit operations, etc. Foreign investments and credits promote a more intensive investment activity in the regions.

Foreign investments are far more unequally spread in Russia than foreign trade. Foreign investments are made in the majority of the Federation subjects, however, its major portion is made in 10-15 subjects. In 1998, the

top ten regions accounted for 80% of all the foreign investments. In the area of foreign trade, the first top ten regions account for about 60%. In 1995-98, the composition of the biggest investment recipients changed radically. In comparison, the regional structure of foreign trade is much more stable.

The most open Russian Federation subjects are on the average, more stable financially.

Small subsidies (the subject's share in the support fund was 0.5 or less than their share in the population of the Russian Federation) were earmarked in the budget for a group of regions with a pro-export type openness. Those regions give much more to the federal budget than receive from it.

The regularity of better financial statuses of regions widely engaging in foreign-economic ties is not observed in subjects with a border-type openness. They need large-scale financial support from the federal budget. In the Far-Eastern subjects of the Russian Federation, their share in the support fund is several times higher than their share in the population: 7 times higher in the Magadan Region, 5 times higher in the Kamchatka Region and 3 times higher in the Primorsky Territory. That is due to the structure of their economies, where the most highly involved in foreign trade are such industries as seafood fishing and maritime transport. The majority of other industries having lost their positions on the domestic market because they are so remote from it, were unable to get a broad access to the foreign market. The stable operation of the first two industries cannot compensate for the losses in other sectors of the economy. Also, the fishing industry is plagued by large-scale shade exports. The budget and financial problems of the Far-Eastern regions are also caused by their defense role, as well as by small capacity of the regional market and the climatic conditions.

The dependence of the budgets of pro-export Archangel and Murmansk Regions on federal transfers is also related to similar functions and conditions. In the Kemerovo and Rostov Regions, large-scale federal money transfers are channeled to restructuring the mining industry.

The country's inclusion into the world financial system means diversification of financial sources of regional development. However, at the same time, the sharply increased mobility of national financial resources facilitates their flow, either legal or illegal, to the places where they can be invested in a more reliable and efficient manner.

Nevertheless, the regions' financial resources are ever greatly dependent on the activities of the regions' enterprises and organizations on for-

eign markets and on the wages of people employed by them. Here we should also add profits from “shuttle” trade and the inflow of foreign investments and credits.

**Types of Regions by Their Foreign-Economic Openness** were compiled on the basis of an analysis of data on foreign trade and foreign investments in different regions of the Russian Federation. Out of 89 subjects of the Russian Federation, only 37 can be placed within a category of regions with relatively wide foreign-economic ties expressed in absolute and relative figures. However, their external openness is essentially different. L.B.Vardomsky outlines three characteristic types of openness: **central, seashore (borderland), and pro-export.**

**The central type** is observed in the Russian Federation subjects with powerful economic and research potentials and having a town of a million inhabitants as its center surrounded by a zone of market and cultural gravitation much greater than that of its region: Moscow and the Moscow Region, Saint-Petersburg and the Leningrad Region, the Nizhny-Novgorod, Samara and Sverdlovsk Regions, the Republic of Tatarstan. Those subjects have various and large-scale external economic ties that are much different in terms of their geographical and substantive features. Those are regions with the most favorable entrepreneurial climate. They provide for the integration of the Russian financial system into the world one, with Moscow standing high among the regions of such type. The regions of that type account for over 50% of the foreign-trade turnover and over 70% of accumulated direct foreign investments.

**The seashore (borderland) type of openness** is characterized with high relative indices of openness, but a relatively narrow range of foreign-economic activities with a high share of neighboring countries in them. A share of services in the foreign trade is also high. Those are big centers of shuttle trade exporting big amounts of foreign currency. Regions of that type of openness are widely included into border and sub-regional cooperation. It can be most clearly seen in the Far-Eastern regions: in the Primorsky and Khabarovsk Territories, the Sakhalin, Kamchatka and Magadan Region, as well as in the Republic of Karelia and the Kaliningrad Region. Regions of such type account for over 8% of the country’s foreign trade and over 12% of accumulated direct foreign investments.

**The pro-export type of openness** is related to large-scale export-oriented manufacturing industries that make it attractive for foreign investors and creditors. Regions of that type are characterized by large absolute vol-

umes of exports and, consequently, by relatively high indices of foreign-trade openness. They provide for a major part of currency influx into the country. Such type of openness is observed in the Tyumen Region with the Khanty-Mansi Autonomous District and the Yamalo-Nenets Autonomous District, in the Republics of Komi, Bashkortostan, Khakassia, the Archangel Region with the Nenets Autonomous District, the Belgorod, Vologda, Irkutsk, Kemerovo, Lipetsk, Murmansk, Novgorod, Perm, and Chelyabinsk Regions, as well as in the Krasnoyarsk Territory with the Taimyr Autonomous District. Those regions account for over 30% of the country's foreign trade and for about 17% of accumulated direct foreign investments.

Differing from that group are introvert regions whose economies are largely directed at the domestic market. They have limited foreign-trade ties and are of a little attraction for foreign investors. According to L.B.Vardomsky, there are 39 regions with a low degree of openness that is due to the structural peculiarities of their economies and the region's inland location. Those are the regions and republics of the Central, Volga-Vyatka and Povolzhye areas, North Caucasus republics, South Siberian regions and republics, the majority of autonomous districts. As a rule, they are highly provincial regions characterized with an acute shortage of financial resources and the highest entrepreneurial risks.

The rest of the Russian Federation subjects, and there are 13 of them, are regions with a limited openness. They are the Vladimir, Voronezh, Volgograd, Novosibirsk, Omsk, Saratov, Smolensk, Tomsk, Tula, Yaroslavl Regions, the Stavropol Territory, the Udmurt Republic and the Republic of Sakha.

An analysis of the regional structure of Russian economy's openness has showed that it is manifested mainly in big towns performing the functions of administrative and political centers. The main cities of the subjects of Russian Federation as a rule include the majority of all regional businesses with foreign participation, as well as foreign-trade functions, incoming foreign credits, and servicing and accompanying types of activities. At the same time, the majority of the peripheral territories are not included in the process of economic internationalization.

Moscow is still the biggest participant in the external-economic activities among the subjects of the Russian Federation. Moscow accounts for 30% of Russian exports and 34.3% of imports. In 1998, over \$20 billion worth of Russian export went through Moscow businesses and organizations (\$30 billion in 1996-1997, \$10.1 billion in 1995 and \$5 billion in 1994).

The share of Moscow in exports of fuel and energy was 40.7%, in exports of the machine-building products - 27.0%, in import of wood and wood products - 46.1%, of food products and raw materials for their manufacturing - 40.1%, of petrochemical products - 34%, of machines and equipment - 31%, of ferrous and non-ferrous metals - 30.7%.

Regardless of the existing inter-regional differences in the degree of their foreign-economic openness, all Russian regions are confronted with structural limitations for their economic participation in international economic ties. They are determined by Russia's unchanging role in the world economy as a producer of fuel and raw materials and a consumer of finished products.

The following conclusions could be made from the above material:

First of all, revenues obtained by the regions from external-economic activities essentially represent the reflection of certain structural advantages that those regions have within the world or national economy system, particularly, in servicing foreign-trade flows and cash flows associated with them.

Second, inter-regional differences in terms of the nature and degree of openness largely determined the stratification of Russian Federation subjects in terms of the level of their socio-economic development and dynamics of their market transformation that was growing until the crisis of August 1998. The ruble devaluation radically decreased the efficiency of import operations and facilitated the growth of import-replacing products. However, the stable rehabilitation of those import-replacing businesses is possible, on the one hand, with the growth of their competitive power and with their profitability and cash generation getting close to those of corresponding foreign businesses, and on the other hand, with preserved currency-rate and tariff barriers for imported goods.

Third, the liberalization of foreign-economic activities has illuminated the problem of structural, technological, personnel, and socio-psychological limitations to an efficient use of external factors for the purposes of stable development. In the Russian model, the opening of the economy turned out to be the preservation of a traditional model of the country's participation in the international division of labor, capital flight, "brain-drain", degradation of national high-tech industries and a debt crisis. Regionally, all those phenomena manifest themselves in revenues from exported resources not only being concentrated in pro-export regions, but largely accumulating in capital territories. Revenues from the sales of high-tech products are mainly gen-

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erated in regions with a central type of openness, where modern import-replacing businesses are concentrated. Revenues from external-economic activities in border regions are generated, largely, at the expense of Russian regions and certain countries of CIS.

Fourth, the problem of stable development of Russian regions under economic globalization and regionalization of international cooperation can only be resolved by increasing the profitability of export and import-replacing activities. In the regions with a central type of openness, the export potential should be increased through the high-tech industries and the service sector, while in the regions of a pro-export type - through increasing the degree of processing of exported goods, and in the border areas - through extracting and processing industries and the service sector.

### *§3. Political Forces in Russia and Prospects of Federalization*

Vasily Filippov\*

#### **Forthcoming Reforms of Russian Federalism: Will They Face the Opposition in Parliament?**

Boris Yeltsin's epoch has come to an end. Different assessments could be given to the last decade's political results with all its ups and downs. But it is perfectly obvious that it was a period of an accelerated degradation of the Russian statehood.

Reforms of the system of state governance initiated by V. Putin in 2000 allow us to hope that we had passed through "the bottom point" of disintegration. As of now, it is still extremely difficult to assess the prospects for modernizing the domestic model of federalism: we do not even know whether the new Russian president's initiatives represent a stage of a well thought-through concept, or on the contrary, are a model of political improvisation. But beyond any doubt is the fact that the direction of regional policies has turned in an opposite way. I dare say that if we could have imagined V. Putin saying immortal aphorisms in a state of the well-known euphoria, we would have heard: "Give us back as much sovereignty as we would like to take!"

In this context, far from rhetorical are the following questions: to what extent is the Russian society ready for such reforms, and will the Russian political establishment support any serious redistribution of power? In the present article based on materials of my interviews with the leaders of the State Duma political factions I will try to convince the reader that in the present political situation the President's initiatives aimed at a **gradual and evolutionary** change of the structure of federal relations, at depolarization of ethnicity, at unification of statuses, and possibly, at enlargement of Russian Federation subjects will not meet any serious parliamentary opposition.

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### *Leftists*

*The faction of the Communist Party of the Russian Federation (86 deputies).* G.A. Zyuganov's position on the state of federal relations is more than critical. "Already now, the relations with many republics are virtually of a confederal, but not federal nature. And confederation for Russia is a complete ruin."<sup>92</sup> Gennady Zyuganov avoided a direct answer to the question of whether it is advisable to stay loyal to the Leninist principle of state self-determination for chosen "socialist nations." However, in his answer, he virtually agreed to the fact that the path of "national statehood" had been dictated to the Bolsheviks by political conjuncture at that time of trouble when they were rehashing the ethno-political map of Russia. "Why did Lenin take a centrist stance on the issue of state system having discarded both the extreme rightist and the extreme leftist approaches. The reason is simple: if a path of creating national statehood had not been taken at that time, then, for example, the Transcaucasus Federation, or the Ukraine *could have preferred not to join the union state*. But it was Lenin who was also wise enough to understand that there was the communist party that was "a brace" (with its centralized policies and a rigid executive hierarchy) that was supposed to provide for the unity of our state."<sup>93</sup> Implicitly, the above-mentioned comment acknowledges the political ephemerality of the ethno-federal state engineered by the leader of the world proletariat, as is the practical significance of the so-called "brace" was all too well-known. Also known is the kind of federation, created in line with the principle of state self-determination of socialist nations.

More sincere and substantial in his comments was A.A. Shabanov, deputy chairman of the CPRF Central Executive Committee and State Duma deputy. In his opinion, "the optimal principle of life organization in a multinational state is a union of territories and a family of peoples. If the union of territories is used as a basis, and each of the territory is represented by the whole of its population, then any talk about title nations will immediately lose any sense..."<sup>94</sup> Alexander Shabanov agrees that the present combination of ethno-state and administrative-territorial principles in federalism is

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<sup>92</sup> *Political Leaders on Nationalities Issue. V.R. Filippov's interview with G.A. Zyuganov, Chairman, CEC, CPRF, chief, CPRF faction at the State Duma// "Ethnographic Review." 1977, No. 5, p. 162.*

<sup>93</sup> *Ibidem.*

<sup>94</sup> *Ibidem.*

determined by the historical traditions and a specific balance of political forces between the Center and regional elites, and thinks that “*a transition to the administrative-territorial principle of federalism is the very prospect that the Russian Federation should strive for.*” At the same time, he understands that “we should move step-by-step in that direction,” that “it is a long and a rather complicated process” and that “in the present period of crisis we should be very careful about any abrupt changes.”<sup>95</sup> Of particular interest in this context are the positions of another two communist deputies who are chairmen of two State Duma’s committees dealing with the relative issues.

L.A.Ivanchenko, chairman of the Committee for Federation Issues and Regional Policies stressed (due to his professional competence) the economic aspects of federal relations. However, some of his comments give ground to conclude that he is one of the most consistent supporters of the Russian President’s innovations. Here is his opinion on “asymmetric” model of federal relations involving different statuses: “The status of the existing types of Federation subjects is determined by different legislative acts. The status of republics is determined by the Constitution of the Russian Federation and republican constitutions. The status of territories, regions, towns of federal importance, autonomous regions and autonomous districts is determined by the Constitution of the Russian Federation and the corresponding charters. Thus, the principle of equal rights for the Federation subjects in their relations within the Federation is violated. This inequality has to be eliminated.”<sup>96</sup> It is also evident that L.A. Ivanchenko is a supporter of the idea to enlarge the Russian Federation subjects. He thinks, among other things, that “at present, *there is a necessity to have a profound reform of the federative relations. A Federation that is comprised of 89 subjects is barely governable and can become absolutely ungovernable in the future. A possible way out of the existing situation is to enlarge the Federation subjects.*”<sup>97</sup>

V.I. Nikitin, Chairman of the Nationalities Committee does not consider unification of Federation subjects a topical problem. However, he also understands that the ethnic statehood in the form acquired during Boris Yeltsin’s tenure does not have any prospects for political existence. He is inclined to think that the ethnocratic regimes in the “national republics’ were

<sup>95</sup> *Ibidem.*

<sup>96</sup> *Our Interviews. Our correspondent V.R. Filippov talks to L.A. Ivanchenko, Chairman, State Duma Committee for Federation Affairs and Regional Policies//Russian Regional Bulletin, 1999, Vol. 1, No. 18.*

<sup>97</sup> *Ibidem.*

the obvious result of the post-Soviet reforming of the Russian statehood. He also associates the appearance of those regimes with the conjunctural bargaining between a weak and corrupted Kremlin and ambitious regional elites. "It was the federal government that was flirting with the ethnic elites and initiated ethnic separatism and the formation of ethnocratic regimes in a number of "national" republics. In the struggle against the totalitarian regime and in the struggle against communism the Kremlin embarked on a path of destruction, and a period of destruction always gives rise to dark forces. As soon as a night falls, mobsters' attacks and shoot-outs begin. The same took place at that time!"<sup>98</sup> Valentin Nikitin is fully aware of the seriousness of the last year political transformations and hopes that the reforms might change the nature of federal relations: "If today, the flirting with the Federation subjects has come to an end, and if there will be no priority given to one region at another region's expense and no privileges given to one people at expense of another, I think positive changes can be expected both in the relations between peoples and in federal relations."<sup>99</sup>

*Agro-industrial group of deputies (41 deputies).* N.M. Kharitonov, the leader of agrarians is even more explicit in his comments. He does not have a slightest compassion for Leninist concepts of ethnic statehood: "The national-territorial principle put in the foundation of the USSR turned out to be a basic problem that had been frozen for a long time, but today it creates serious difficulties in developing the state system of new Russia."<sup>100</sup> Strongly supporting the unified administrative-territorial principle of federalism, he nevertheless stresses the necessity of "a smooth" transition to the optimal non-ethnic model of federative relations. "Certainly the idea of G. Popov, V. Zhirinovskiy and other politicians to divide the country into provinces in one instant has an element of risk – there is a danger of pouring a little can of gasoline onto the already smoldering fire. Though, a kind of *smooth transition to a provincial system, is perhaps, necessary.*"<sup>101</sup> Not giving much importance to the ethnic problems, the agrarians' leader thinks that they are situational and should be resolved depending on a political situation existing at a certain moment: "I don't think we should exaggerate "the nationalities issue." I think

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<sup>98</sup> Author's interview with V.I. Nikitin, Chairman, State Duma Nationalities Committee// Author's archive.

<sup>99</sup> Ibidem.

<sup>100</sup> Author's interview with N. Kharitonov, leader, State Duma Agrarian Committee// Author's archive.

<sup>101</sup> Ibidem.

that *this problem should be resolved from the viewpoint of political pragmatism*: whether it will be useful to remain loyal to the historical tradition of the national-state principle, or on the contrary, that principle should be regarded as a slowly smoldering fuse to ethnic separatism.»<sup>102</sup>

### *Center*

At least four factions claim belonging to the center in today's Parliament. Of particular interest are two of them: "People's Deputy" and "Unity." It is those two factions that proclaimed themselves as the President's mouthpiece at the State Duma and their party structures as "parties of power." Anyway, the unconditional orientation of those factions towards Kremlin is obvious.

«*Unity*» *faction (85 deputies)*. Faction leader B.V.Gryzlov gives an unequivocally negative assessment to the post-soviet practice of state system development. "The last decade ... has objectively led to a formation in the country of, I dare say, a *jelly-like Federation structure*. Confrontation between the federal Center and the regions became a way of life for that structure." Within that context he gives a very high assessment to the state-management reforms initiated by V. Putin stressing his party's participation in the formulation of the concept behind them: "The country's leadership has taken resolute actions to prevent the break-up of the Russian Federation. ... The tax and federal reforms are two truly *colossal events* that had taken place, by they way, with our direct participation."<sup>103</sup> It is also worth noting, that the leader of the party of power hints in no uncertain terms that only the first stage of the reform has been completed and the main things are still ahead. "The introduction of the institute of the Presidential representatives (*polpredy*) and decentralization of power is a tool to fight against regional monopolies. *But it is only the beginning of the process*. Today, there is a fashion to speculate about the totalitarian threat. But how can we call a system under which we have lived over the last decade? When any specific region became a private resource of any specific governor in his bargaining with the federal center?"<sup>104</sup> It is also important that it was stressed at the same time that the party adheres to an evolutionary way of reforming the Russian statehood. "We think that *there should be no more revolutions* in Russia."<sup>105</sup>

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<sup>102</sup> *Ibidem.*

<sup>103</sup> *Ibidem.*

<sup>104</sup> *Ibidem.*

<sup>105</sup> *Ibidem.*

*«People's Deputy» group of deputies (64 deputies).* The leader of that group G.I. Raikov makes a very definite statement: "Our group of deputies shares the course towards the strengthening of the Russian statehood outlined by President V. Putin."<sup>106</sup> In his program speech on the occasion of proclaiming "People's Deputy" a political party, he identified the strengthening of statehood as a priority area. "We have to say what we are living for, what our main principles are... first of all: *our main slogan is strengthening of statehood.* In that respect we fully support the President of Russia."<sup>107</sup> This catchphrase is voiced in all the public addresses by Gennady Raikov.

*«Motherland-All Russia» faction (45 deputies).* Ye.M. Primakov, the leader and ideologist of the faction "Motherland-All Russia" speaking on television said that he generally supports the strengthening of power hierarchy in the country, however, he is worried that there might appear a wide range of antagonism between the governors and "super-governors," that is presidential representatives (*polpredy*) in the federal districts. Here we should emphasize that this comment by Evgeny Primakov is not a tribute to political fashion, but rather it is a position understood and verbalized long time ago. Ye.S. Stroyev gives credit to Primakov for the consistency of his position: "Right at the start of his tenure as Prime-Minister E.M. Primakov spoke in favor of sanctions against those Federation subjects that violated the Russian legislation."<sup>108</sup>

Of considerable interest in our context is the position taken by another outstanding deputy from that faction - M.I. Lapshin, leader of the Agrarian Party of Russia. He believes, among other things, that "the experience of sovereignization is sad..." that "the practice of bringing autonomies to the extreme, of elevating them to a level of independent states did not live up to expectations."<sup>109</sup> The chief farmer of Russia laments: "That's the stupid way it was: people got too much involved in playing sovereignty games in 1990-1991, when our autonomies proclaimed themselves almost independent states. We should proceed from the fact that we are living in a united state - the Russian Federation."<sup>110</sup>

<sup>106</sup> *Deputy, Be with the People. Interview by V. Skurlatov with G. Raikov.//Revival. 2001, No. 2 (48).*

<sup>107</sup> *G. Raikov. Decision Prompted by Life//«Slovo» 2001. No. 3 (221), January 26 - February 1.*

<sup>108</sup> *Stroyev, Ye.S. Difficult Search for Domestic Model of Federative Relations. // «Federalism.» 1999, No. 1, p. 13.*

<sup>109</sup> *Political Leaders on Nationalities Issue. V.R. Filippov's interview with M.I. Lapshin, leader of the Agrarian Party of Russia//Ethnographic Review, 1995, No. 5, p. 130.*

<sup>110</sup> *Ibidem.*

*«Regions of Russia” group of deputies (44 deputies).* The leaders and the most famous conceptualists of this group are, perhaps, the most loyal to the existing model of Russia’s federal system. On the whole, they do not think that it is necessary and rational to unify the statuses of all the subject of the Russian Federation under the present political situation. But at the same time, there exists an idea in the political mentality of even that group’s leaders that the combination of ethno-state and administrative-territorial subjects within the Federation is a temporary phenomenon dictated by the existing political conjuncture, and in the (more or less distant) future a transition to a less conflict-causing state system is inevitable.

While answering a question on whether it is rational to put together an asymmetric Federation, O.V.Morozov said: “In my opinion, at that time, it (“asymmetric” federation - V.F.) was a *forced political compromise*, there was no other way - we had to agree on the game rules somehow. The federal Center’s weakness allowed the regions at that particular time to claim the “limit of independence” they wanted and nobody was able to contradict them<sup>111</sup>. It is also worth noting that Boris Yeltsin’s regional policies are not perceived as rational and purposeful ones by this faction’s leader. In his opinion, “the federal Center was extremely weak and had a very limited political resource to steer any *rational and purposeful policies* and to achieve its goals. A big political bargaining took place. The weak federal elite paid off Russian territories and Federation subjects with a big number of concessions for their political support.”<sup>112</sup>

The new Russian President’s efforts aimed at strengthening the power hierarchy in the country are also assessed within that context. “The main goal of the federal Center and the initial V.V. Putin’s plan was, on the one hand, to set the balance of interests and *to eliminate the gravitation towards Federation subjects*, and on the other hand, *to make their leaders and current processes subordinate to the federal Center*. The Center could not control regional leaders at all. They were protected by their parliamentary immunity as members of Federation Council, as well as by a great body of authorities they had assumed during the previous period of political uncertainty.”<sup>113</sup> A positive assessment is also given to Parliament’s support to the

<sup>111</sup> V.R.Filippov’s interview with O.V. Morozov, leader of “Russian Regions” group of deputies//*Russian Regional Bulletin*, 1999, V. 1, No. 3.

<sup>112</sup> V.R. Filippov’s interview with O.V. Morozov, leader of “Russian Regions” group of deputies//*Author’s archive*.

<sup>113</sup> *Ibidem*.

most important elements of the state-system reform. *“The State Duma has been absolutely right in supporting the idea of creating the institute of federal intervention. It is a good thing that the federal Center now has the right to dismiss a governor who breaks laws. It is a good thing that the State Duma has the right to disband a regional legislature if it passes laws dropping out of the constitutional environment.”*<sup>114</sup> Support is also given to the idea (not yet implemented in practical life) of global changes in the country’s federal system, the changes that will call for a serious constitutional reform. For example, the idea to enlarge the Federation subjects is being welcomed. O.V.Morozov said about that idea that “the problem of the number of Federation subjects is not too complicated and should not be dramatized. It is one of those problems that can be resolved in principle. I think that having 89 subjects is too much, that it is incorrect from the viewpoint of management principles. I think we will *choose the path of non-violent enlargement of the subjects.*»<sup>115</sup>

V.N.Lysenko, leader of the Republican Party of Russia and deputy chairman of the Committee for Federation Affairs is certainly one of those who share O.V.Morozov’s views. He also gives not too high an assessment to the success gained in developing the federative system during “Yeltsin’s epoch.” Says V.N.Lysenko: *“We have not been very successful (over the last decade) in Federation development, and it is there that I see one of the biggest reasons behind our failures to reform the economy... The Federation development took place in an extremely inconsistent, spontaneous and chaotic manner. It was dominated by the interests of political feasibility and not by the country’s strategic interests. The formulation of the basic principles of the Russian version of federalism very often depended on the momentary interests of individual politicians.”*<sup>116</sup> Here is another characteristic comment: “Already in February of 1994, two months after the Constitution was adopted, he (B.Yeltsin - V.F.) signs an agreement with Tatarstan. There could be a long debate, whether the real threat of Tatarstan’s secession really existed at that time. I doubt it... But that compromise gave rise to “vicious infinity.” The Constitution says that “all are equal,” and at the same time, one subject became “the most equal.” That triggered off other people’s desire to

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<sup>114</sup> *Ibidem.*

<sup>115</sup> *Ibidem.*

<sup>116</sup> *Author’s interview with V.N.Lysenko, deputy chairman, State Duma Committee on Federation Issues and Regional Policies//Author’s archive.*

repeat the example of Tatarstan. That was the start of the mad race that has already been going on for five years.”<sup>117</sup> Vladimir Lysenko thinks that in the existing ethno-political situation, the most odious bilateral agreements with Republics should be reconsidered ignoring the republican elites’ warnings of possible ethnic mobilization. He sounds explicit enough. “The republican ethnocrats are pressing for privileges and benefits scaring us with their sovereignty. Today, all those threats are not serious. And now when the terms are getting close to expiring, I think *that conditions in the agreements with republics should be changed*, including the agreement with Tatarstan, and we should stop listening to the presidents when they assure us that “revolts will begin.” I am sure that there won’t be anything in the real life. The regional leaders are playing the nationality card to strengthen their personal power.”<sup>118</sup> The necessity of reform is perceived by the RPR leader as a fatal inevitability: “*The asymmetric federation in the form it received in early 90s cannot exist permanently...* I think that life itself will gradually put everything to proper places.”<sup>119</sup>

### ***Rightists***

*«Yabloko» faction (19 deputies).* In G.A. Yavlinsky’s position we can absolutely clearly see an understanding of a transient nature of the present state of federal relations and the lack of prospects for the ethnic federalism, on the one hand, and the need to look for mechanisms that would allow a conflictless modernization of Russia’s federal system, on the other hand. His position boils down to the following: “We are against any *hasty* reforming of the administrative-territorial division of Russia: the statuses and borders of the republics, territories and regions should remain impregnable *until such a mechanism for their painless change* is worked out that would be acceptable for everybody, be based on democratic principles and would not engender conflicts.”<sup>120</sup>

Back in 1996, Grigory Yavlinsky was speaking about the need to restore the integrity of Russia’s constitutional system and to provide for equal rights of the “title” and “non-title” citizens living in “national republics.” He

<sup>117</sup> *Ibidem.*

<sup>118</sup> *Ibidem.*

<sup>119</sup> *Our interviews. Our correspondent V.R. Filippov speaks with V.N. Lysenko, deputy chairman, State Duma Committee on Federation Issues and Regional Policies//Russian Regional Bulletin, 2000, V. 2, No. 21.*

<sup>120</sup> *Political Leaders on Nationalities Issue...*, p. 124.

called for “a gradual *integration of those republics into Russia’s constitutional system.*” Also “*in the existing ethno-political situation, we should agree that it is rational to preserve national-territorial entities on the regional and local levels on a precondition that all the citizens living there must be equal regardless of their ethnic origin.*”<sup>121</sup>

A similar interpretation of “Yabloko’s” position on our issue is given by S.S. Mitrokhin, the party’s chief ideologist. He gives an extremely negative assessment of the practical steps in developing the federal system over the last decade. “You remember that slogan by B. Yeltsin: “Take as much sovereignty... “That was a conscientious policy and a policy not relating to any regions, but relating to specific republics that were demanding sovereignty... It was a thought-out policy that led to *the loosening of statehood*, that is for sure. It dealt a power blow against the Russian statehood.”<sup>122</sup> No less categorical is he in his assessment of the “asymmetric” nature of the Russian Federation and the ethnic specific features of its system: “Asymmetric federation became a *catalyst of disintegration* ... I think that the ethnic federation is *our doom, it is a grave hangover from the communist past.*”<sup>123</sup>

Perhaps, the most articulate in formulating “Yabloko’s” position on ethnic federalism was the well-known human rights activist and a State Duma deputy V.V.Igrunov: “Creation of a national state gives rise to a temptation to give priority there to the indigenous nationality. It is for that particular reason that we think the national statehood is an ill-grounded idea. To give each ethnic group the right to create a national state, as A.D.Sakharov was proposing, is a suicide, it only leads to a growth of national confrontations. We should depart from the national-ethnic system and change over to a state of citizens.”<sup>124</sup>

«*Union of Rightist Forces*” (33 deputies). I.M.Khakamada, Vice-Speaker of the Duma and one of the leaders of the “Union of Rightist Forces” assesses Russia’s federal system largely from the viewpoint of its economic feasibility. “For me, a territorial-administrative system is most preferable. First of all, because the concept of dividing the federal budget rests on a sound and adequate foundation in that case. The country’s national-state system gets along poorly with different industries because in

<sup>121</sup> *Ibidem.*

<sup>122</sup> *Author’s interview with State Duma deputy S.S. Mitrokhin.//Author’s archive.*

<sup>123</sup> *Ibidem.*

<sup>124</sup> *Political Leaders on Nationalities Issue...*, p. 119.

each republic there are huge enterprises that report to their own ministries and do not participate in the creation of territorial-industrial complexes. Secondly, Russia is a multi-national country and it is just naive to try to delimitate administrative borders around territories populated by different peoples".<sup>125</sup> Irina Khakamada thinks that it is advisable to discard the ethnic principle of forming certain Federation subjects and sees "a way out in a gradual "distancing" from the national-state system though not in a "head-on" manner and not by political decisions." She proposes that an economic foundation should be put under that process, because in the situations where economic problems are resolved, ethnic and faith problems get resolved as well."<sup>126</sup>

*The faction of the Liberal-Democratic Party of Russia (14 deputies).* The position of V.V. Zhirinovskiy, LDPR leader, is particularly radical on the question of unification of the statuses of Russian Federation subjects. "Our party's positions are as follows: Russia as a democratic republic should not have any national-state entities within its borders. I think that the issue should be resolved, American style. We are Russian citizens, we are citizens of one state regardless of the nationality. ... Russia as a state is for everybody. That is why, what Russia should do is abolish the state system created along nationality lines and change over to a system of provinces, regions and territories. To set up 40-60 provinces with 3-4 million people in each. And in that way we will have the nationalities problem resolved."<sup>127</sup> At the same time, unlike many of his parliamentary colleagues, Vladimir Zhirinovskiy insists on a revolutionary, a one-moment abolishment of ethnic foundations of the Russian federalism. He thinks that "this should be done by a decree: a new administrative system with enlarged regions. And those enlarged regions will absorb national republics."<sup>128</sup>

### ***Independent Deputies***

*There are 16 independent deputies in the State Duma.* There are few bright names among them, and it would be an obvious exaggeration to say that they make any noticeable impact on Russian Parliament's legislative activities. So, we will quote two of the best-known politicians.

<sup>125</sup> *Political Leaders on Nationalities Issue...*, pp. 125-126.

<sup>126</sup> *Ibidem*.

<sup>127</sup> *Political Leaders on Nationalities Issue. V.R. Filippov's interview with V.V. Zhirinovskiy, leader of the Liberal-Democratic Party of Russia.*//*Ethnographic Review, 1996, No. 1, p. 99.*

<sup>128</sup> *Ibidem*.

*N.I.Ryzhkov*, whose views could be generally described as “leftist” was rather reluctant to speak on the ethnic peculiarities of the Russian model of federalism and was very cautious in his assessments. Nevertheless, even he thinks that the present state of the Russian Federation is solely temporary and unstable, and is far from being perfect. Nikolay Ryzhkov formulated it in the following way: “The model of state system inevitably changes depending on the country’s specific economic and foreign-policy situation, as well as on the nature of its social system. ...There was a time, when the national-state system of the former union state was optimal. I stress that it was optimal but not ideal...”<sup>129</sup> However, despite all above-said, the ex-premier of the Soviet Government was explicit enough saying: “In the *nearest future*, I don’t see any prospects for changing over to an exclusively territorial-administrative state building.”<sup>130</sup>

*V.A.Ryzhkov*, whose views can be called essentially “rightist” gives a very ambivalent assessment to asymmetrical statuses of the Russian Federation subjects. “The problem of advantages of the symmetric and asymmetric models is a complicated one and has a dual nature. On the one hand, advantages of the first model are obvious. All the Federation subjects are equal. Nobody is upsetting the balance by demands for an increased status for a certain subject. The creation and development of the federal and regional legislation is simplified. However, it is not always that symmetry provides for the stability of the state order. Asymmetry is fraught with different dangers. The more asymmetry there is, the stronger the centrifugal processes are, as well as “the grievances” of regions with a lower legal status and the desire of “privileged” subjects to preserve their especial rights... Another advantage of asymmetric Federations is their higher flexibility and plasticity.”<sup>131</sup> He is obviously worried over the hierarchical complexity of the Federation. “Russia is the most complicatedly constructed Federation on Earth. It is full of most serious legal-constitutional and political collisions (the most tragic among them is certainly Chechnya)”<sup>132</sup> Ethnic federalism is perceived as a threat to the county’s integrity: “Often discussed is a question of a threat to the stability of the Russian state system posed by Federation

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<sup>129</sup> *Secret Stash from the Donor for a Backward Republic. V. Filippov’s interview with N.I. Ryzhkov, leader of “People’s Power” group of deputies at the State Duma.// “Parlamentskaya Gazeta.” 1999, January 20, (No. 9), p. 2.*

<sup>130</sup> *Ibidem.*

<sup>131</sup> *Author’s interview with State Duma deputy V.A.Ryzhkov.// Author’s archive.*

<sup>132</sup> *Ibidem.*

subjects set up with a due regard for the interests of the so-called “title nationalities.” There is a potential threat of such kind... I recall the words of worry by Ernest Gellner, a classic of the theory of nationalism who said in mid-90s that if the implacable laws that awake and establish nations will act at the same degree in the future, it will be impossible to preserve the unity of Russia and it will disintegrate into many tiny parts.<sup>133</sup>

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That is the continuum of Russian political leaders’ views on the essence and prospect of ethnic federalism in Russia.

The loyalty to the Leninist principle of engineering certain subjects of the Russian Federation along ethnic lines is perceived by the most influential politicians in Russia as something extraordinary dictated exclusively by the political conjuncture and situational correlation of forces between the federal Center and republican ethno-political elites. It is obvious, that there is a general understanding of the temporary and transient nature of ethnic federalism. It is noteworthy that the majority of the politicians interviewed by me think that a transition to a unified administrative-territorial system in Russia should take place in an evolutionary way without any revolutionary upheavals. Almost all of them share the opinion that this process will be stretched over a more or less lengthy period, whose length will be largely determined firstly, by how intensively the republican ethno-political elites will be replaced, and secondly, by macroeconomic processes.

The Duma tribunes were well unanimous when answering the question about an alternative political concept to the state-territorial self-determination of peoples. Over the last decade, the principle of exterritorial national-cultural autonomy has become an integral part of basic political ideas.

It is absolutely obvious that an ever-clearer abruption of the idea of ethnic federalism is taking place in the political mentality. Certainly, if we try to extrapolate the opinions of Duma politicians on the mass consciousness of the Russians, that will cause a lot of doubts. There is still no civic society in Russia and ephemeral political parties are formed not on the basis of programs but rather as support groups behind certain charismatic leaders expressing the interests of certain financial-industrial groups. And in that context, Russian politics can be called “politics of individuals.”

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<sup>133</sup> *Ibidem.*

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At the same time, the existence of certain correlations between the slogans voiced by parliamentary contenders during election campaigns and stereotypes of the mass consciousness are quite obvious. In that respect, the continuum of opinions of the leaders of factions and groups of deputies in Russian parliament can be regarded as a model of the mass consciousness of the Russians.

On the other hand, it is well known that theoretical concepts are first formulated by political elites' ideologists, and then a gradual diffusion takes place when the ideas formulated "at the top" are getting "down" through the thicket of social and professional groups. With a considerable degree of certainty we can say that obsession over the ethnic principle of forming a federal state has seized the minds of our political elites and is now reaching ever deeper layers of the mass consciousness.

The reform of state system initiated by V. Putin is a subjective reflection of objective changes in the Russian political culture. And it is those processes that will determine the prospects of the on-going reform. Even if initially, the reformers themselves were not very sure about the goals of their reform.

There is no doubt that given the present composition of the State Duma, all the President's initiatives aimed at a gradual unification of the statuses of the Russian Federation subjects will be supported by the overwhelming majority of the deputies. It is ridiculous to speak about a possibility of any noticeable parliamentary opposition to the President.

Damir Iskhakov\*

### **Tatar community (diaspora) and its role in federalization of Russia**

While discussing the urgent political question of the entities of Russian Federation, it is frequently disregarded that some of them are inhabited by many ethnicities, who due to some reasons do not fit frameworks of these entities. For instance, Tatarstan is no more than a top of a Tatar ethnic iceberg. It is clear, that for this reason the problem of diasporas has both external and internal dimensions, the former being connected with the so-called “compatriots”, and the latter referring to the diaspora, settled within the Russian Federation, but situated beyond its borders.

The phenomenon of diaspora is rather a complicated one, and therefore it is practically impossible to find a standard definition for it. Usually diaspora is understood as a particular group of ethnic minorities defined as «a significant part of the people (of ethnic community), living outside its native country and forming a long ago shaped, highly organized, united, stable, well settled and needed by the host country group».<sup>134</sup> But the Tatar case alone gives a lot of food for thought. So, a number of Tatar groups (Kasimov, Astrakhan, Siberian etc.) continue to live in historical areas of their formation and from the point of view of formal logic do not qualify as a Diaspora. However, taking into account, that in Russian Federation there is only one “Tatar” ethnic-political formation – Republic of Tatarstan, recognized by the Federal Constitution as a state, and because the mentioned groups can be considered diasporas if they want to have that status, since they are situated outside their state formation. But the situation can be problematic: say, there is a trend among the Tatars, who want to declare the «native born» Siberian Tatars a separate ethnos. If this draft will be implemented, - and Siberian Tatars are already included in the list of independent ethnos in the drafts of 2002 census documents under preparation – it will hardly be possible to regard the Siberian Tatars as a Diaspora part of the Tatar nation, though in this case there are other, sometimes very complicated, new questions. For

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<sup>134</sup> *V.A. Kolosov, T.A. Galkina, M.V. Kuybyshev. Geography of diasporas on the territory of the former USSR. // «Public sciences today», 1996, № 1, p. 34-35.*

example, what should be done with other groups of Siberian Tatars with double self-identity or self-identity of a local - regional type (we are Siberian Tatars. Siberians). The Tatars in Bashkortostan are a special case. Until recently this group, consisting of 1 million 126 thousand people according to the official data, was regarded as autochthonic in the documents of the Tatar public organizations, and its representatives oriented themselves towards the equal status with other ethnic communities of Bashkortostan. After adoption of the republican Law «On languages of the peoples of Republic of Bashkortostan» (enforced 15.02.1999), the situation changed, and it can be seen from the decision of leading Tatar national organizations of Bashkortostan to use the Russian Law «About a national-cultural autonomy». Thereby the Tatars made it clear, that they differed from the Russians and the Bashkirs in the republic. Moreover, the Bashkir Tatars directly addressed the government of Tatarstan asking for support. To put it shortly, the Tatars of Bashkortostan started to behave as a Diaspora in relation to the national nucleus concentrated in Tatarstan. What was it – a change of strategic policy or a tactical maneuver?<sup>135</sup> Any status of a group is formed not only by objective factors, such as duration of residence, ethnic sources etc., but also by efforts of the intellectuals as the latter shape the group understanding of their own community. In this respect the following statement of V.A.Tishkov, the director of Institute of ethnology and anthropology of Russian Academy of Sciences, given in his manuscript devoted to a historical phenomenon of diaspora is of particular interest: «Siberian, Astrakhan and even Bashkir or Moscow Tatars are autochthonic inhabitants of the appropriate Russian regions, differing considerably from the Kazan Tatars, and they are not anybody's diaspora.» The all-Russian loyalty and identity together with feeling of belonging to the given local groups of the Tatars suppress the feeling of somehow being separated from the Tatars from “the main territory of residence». Though during the last years Kazan has been quite intensively introducing the political project of «a Tatar diaspora» outside the appropriate republic».

Speaking about that part of the Tatar diaspora, which can be called inner Russian – it totals about 3,8 million people, and the federal center always aspires to keep it within the range of its vision. So, in 1993 the almanac

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<sup>135</sup> For more details see: D.M.Iskhakov. *Russian law «On national-cultural autonomy» and political practice (on the example of Republic of Bashkortocstan).*//«Zvezda Povolzhya», February 10-16, 2000.

«Russian ethnographer «published the document prepared a year earlier and entitled «Materials on problems of the interethnic relations in Russian Federation, troublesome spots and mechanisms of regulating them».<sup>136</sup> In the cited publication there are mentioned the following issues about the Tatar diaspora: «It is necessary to pay special attention to propaganda of the activity of national parties of Tatarstan amidst the Tatar diasporas in Russia and to undertake efforts of stopping it, such actions being regarded as non-amicable in the intergovernmental agreement; at present administration it is necessary to add to the agreement that Tatarstan's interference into the business of the Tatar diaspora in Russia should be minimal». Further, in section «Tatar Diaspora in the Volga Basin Region», it is said: «Problems and needs of the Tatar diaspora in Russian Federation require particular attention from the authorities. It is necessary to discourage the emissaries of extremist Tatarstan political organizations and to show serious negative consequences of isolation of Tatarstan for the majority of the Russian Tatars «. The document is inconsistent: on the one hand, the Tatar diaspora is appealed to understand «the harmfulness» of the so-called «isolation of Tatarstan»; on the other hand, a larger part of the Tatars - those who live outside republic – are regarded as cut off from Tatarstan. It was written rather a long time ago and reflects the moods of the Russian elite of those years. And what is the matter with this problem these days?

Several published works give us some understanding of modern tendencies. First of all, it is the article of the Penza governor, member of the committee of Council of Federation on science, culture, education, public health services and ecology V.Bochkaryov titled «Where does the ethnic question lead in Russia?»<sup>137</sup> Having mentioned, that in the end of the twentieth century there were only two large «ethnic problems» - Chechen and «Muslim» (he connects the latter mainly with the Tatar population) in Russia, the governor states his principal position as follows: «In the long run there should be no ethnicized entities in Russia». In his opinion, it is necessary to solve all ethnic questions «solely at the local self-government level» through the mechanism of national-cultural autonomy. Thus this author has approached the problem of diaspora, but did not state it properly. If he had made such a step, his approach would not look so unequivocally simple. It is necessary to address other, more fundamental publications in this regard. In

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<sup>136</sup> *Russian ethnographer*, 1993, № 1, p.5-36.

<sup>137</sup> «*Rossiyskaya Gazeta*» January 12, 2000.

this case the attention is attracted by the materials of the conference «Multi-national Russia: history and the present» held in Moscow in 1998.<sup>138</sup> Both aspects of national problems - national ethnic-political centre and diasporas groups were discussed there. Regarding the first aspect A.D.Bogoturov considers «a cultural autonomy... of provinces... as inevitable evil», declaring, that «one cannot even think... about liquidation...of the cultural privileges of ethnic formations». But he continues, «the purpose of federal policy... should be the actual devaluation of values of these privileges while they are preserved formally». The essence of this prescription boils down «to promote the creation of conditions for free competition of local cultures with... the Russian not only in the all-Russian cultural space, but also directly on the spots» through the direct state support of Russian culture and language, and also through the set of concrete mechanisms, including actual quoting of representation of the Russians in humanitarian research organizations, high schools, the mass-media, etc.<sup>139</sup> To put it short, it is proposed to conduct the priority policy of the Russian language and culture at the level of Russian Federation and its entities. On the other hand, V.R.Filippov develops the idea that the federal act «On national-cultural autonomy», «will most probably lead to further politization of ethnicities in Russian Federation». As this law appears to have included «social interests» of ethnic groups, which, in opinion of the given author, «are different» from cultural interests in the sphere of competency of national-cultural autonomies.<sup>140</sup> It is clear, that V.R.Filippov suggests that the already limited possibilities pledged in the law on national-cultural autonomies should be further reduced, and he is particularly worried about the possibility of ethnic groups participation of in political life of Russian Federation.

It is possible to single out three basic stages in the development of the Tatar diaspora: till June 1992, June 1992 – August 1997, since autumn of 1997. At the first stage there was a process of a finding their own diaspora by the Tatars, and then they started to seek the ways of its connection with the Soviet variant of their national ethnic-political center. At the second stage, there was a transition to semi-state, but not anymore Soviet forms of dealing with Tatar diaspora. At the third stage, the movement to use the federal act

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<sup>138</sup> See: *Representative power: monitoring, analysis, information. Special issue. On the materials of the scientific conference «Multy-national Russia: history and the present day»*. M., 1998.

<sup>139</sup> *Ibidem*, p.77-78.

<sup>140</sup> *Ibidem*, p.83.

«On national-cultural autonomy» (NCA) started to be shaped – for filling the draft of the common Tatar NCA with the real contents, including the issue of determining tasks common for the whole Tatar diaspora.

After successful completion of referendum on the status of Tatarstan the official bodies initiated convocation of the World congress of Tatars (WCT) on June 19, 1992, which united all Tatar diaspora essentially for the first time. At the congress it was stated «it was necessary to unite all Tatars of the world under a banner of national rejuvenation».<sup>141</sup> The newly elected Executive committee of WCT was given as one of its basic tasks «to ensure a regular interaction with the Tatar diaspora»<sup>142</sup>, and the «Provision» about this body (it was approved of by the republican Cabinet of Ministers soon afterwards) stated, that the executive Committee will deal with the task of working out a mechanism of achieving the cultural - national autonomy of the Tatar people in regions of their compact residence».<sup>143</sup> Right before the second meeting of WCT (August 28-29, 1997), the activity of executive Committee was strongly criticized for its unsatisfactory work with the Tatar diaspora.<sup>144</sup> Since the federal act «On national-cultural autonomy» had been adopted by that time, it was regarded with particular attention. The Tatarstan president M. Shaymiyev openly stated in his speech, that the given legislative act «promotes unification of the Tatar diaspora on the state scale».<sup>145</sup> The delegates of the Congress also emphasized, that the law opens for diaspora «big possibilities of new quality consolidation with Tatarstan».<sup>146</sup>

After the Congress, the representatives of the Tatar diaspora intensively began to form their regional national-cultural autonomies. As a result of joint session of the representatives of four regional Tatar NCAs (St.-Petersburg and Leningrad region, Sverdlovsk, Saratov and Ulyanovsk regions) the Federal NCAT with headquarters in Kazan was organized on May 20, 1998. Now FNCAT consolidates up to 15 regional NCAs. The council headed by academician I.R. Taguirov, who at the same time was the chairman of the NCT executive committee, became the managing organ of FNCAT; in fact

<sup>141</sup> *Ibidem*, p.204.

<sup>142</sup> *Ibidem*, p.205.

<sup>143</sup> *Ibidem*, p.211.

<sup>144</sup> D. Ishkakov. *A congress or Sabantuy? Ethnic-political essay.* // «Kris» February 17, 1997; *Tatars in between knock out and knock down.* // «Kazanskoye Vremya» August 22-28, 1997.

<sup>145</sup> *All-World Congress of Tatars (second convocation). 28-29 August 1997. Kazan: Issued by WCT, 1998, p.260.*

<sup>146</sup> *Ibidem*, p.314. (The entry of the chairman of the Council of Tatar national autonomy of Saint Petersburg and Leningrad region S.T. Khasanov).

FNCAT became the form of organization of structural divisions of WCT. On September 25, 1998. FNCAT was registered with the Ministry of Justice of Russian Federation (registration N 3577) and since then it tends to expand further.<sup>147</sup>

The new structure reflecting the interests of Tatar Diaspora began with addressing the federal authorities of Russian Federation: the letter containing a number of the offers about amendments to the federal act «On national-cultural autonomy» was sent to the Chairman of State Duma of Russian Federation G.N.Seleznyov on behalf of FNCAT on June 24, 1999.<sup>148</sup> The essence of the offers was to ensure the greater admission of NCA to participation in the work of local authorities and government, including the control of expenses distribution in the sphere of culture and education. Later the meeting of the executive Committee of WCT and FNCAT Council dedicated to the anniversary of signing the agreement of February 15, 1994 was held in Moscow (February 10, 2000). On the meeting it was emphasized, that «Tatarstan plays a growing role in satisfaction of spiritual needs of Russian Tatars...» It is said further, that «the constructive interaction of Tatarstan with the federal center and Russian regions is an alternative to the force solution of national and regional problems». At last, it was established, that gradually «the mechanism for the solution of national problems» is formed. Thus the role NCA which was «getting a practical experience (in regions) of ethnic communities interacting with public authorities and management» was specially stressed. In spite of the fact that this meeting was conducted under conditions when the sovereignty of Tatarstan was increasingly threatened, the participants of the meeting made a number of concrete resolutions:<sup>149</sup>

- 1) To strengthen the state support of Tatar NCA;
- 2) To initiate tele-radio-broadcasting in languages of the peoples of Russia and a start publishing a federal Tatar newspaper;
- 3) To conclude the inter-governmental and inter-regional agreements on development of culture, education and mass-media of the peoples of Russia.

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<sup>147</sup> See: F.Urazayev. *National-culture centers of the Tatars world.* //«Madani Jomga», I.10.1999; D.M.Iskhakov. *Russian law...*

<sup>148</sup> Information about this see: F.Urazayev. *National-culture centers... The contents of a letter is from current archives (FNCAT) Kazan..*

<sup>149</sup> Common faith, common ideas. *Resolution of the joint meeting of the WCT Executive Committee and FNCAT Council.* //«Tatarskiye kraya», № 7 (368), February 2000.

As we see, the Tatar diaspora has gradually found rather innovative forms of activities in all-Russian scale. Although the organizational period of FNCA has not finished yet (as many necessary structures are absent), new all-Tatar organization began to speak to federal bodies on behalf of all diaspora.

Using the made review of the dynamics of the diaspora for the last ten years, I would like to formulate some general provisions about the role of the Tatar diaspora in development of the Russian federalization process:

1. Due to many objective reasons, the Tatar diaspora of the Russian regions is an active force supporting the country's federalization process. The main reason among those above-mentioned would probably be the fact that Tatarstan, because of peculiarities of its development in the Soviet period, became the ethnic-cultural nucleus, essential for the normal national-cultural reproduction of the Tatar diaspora, since all the basic institutional forms of «high» Tatar culture production are concentrated within this republic. The modern national culture cannot be created without them. Therefore, the attempts to declare the idea about a «municipal» level of generating the culture is no more than an error, if not a provocation for the Tatar nation. The Tatar diaspora understands it very well.

2. On the other hand, there exist big difficulties for Tatars in the Russian regions and even republics to assert their fundamental right on preservation and development of their ethnic culture. One of the most characteristic examples in this respect is the federal act «On national-cultural autonomy», containing no mechanisms of financing the needs in cultural - educational sphere, either at the local or federal level. It is this circumstance, rather than just the natural desire to preserve historical and cultural relations with its ethnic-political center, that causes the Tatar diaspora to consolidate around Tatarstan.

3. Under the present conditions the Tatar diaspora, undoubtedly, will be forced to try «to politicize ethnicity», including lobbying its interests through republican bodies of power and government. Therefore, any attempts to cut down the rights of Tatarstan will result in triggering the action of an invisible part of the Tatar iceberg – the Tatar diaspora, as the existence of the republic in the usual realities is the guarantee of its ethnic-cultural survival and raise of political status.

## Chapter IV.

### **On the theory of asymmetric federalism**

Rafael Khakimov\*

## **On the bases of asymmetry of Russian Federation**

### ***Change of the statehood development paradigm***

Russia experiences now a crucial period in its history. The old structures of management collapse, the values, stable for centuries, diffuse and the new purposes of the state are formed.

Russia was built on the ideology of expansion of its territory, and all its previous history passed under a banner of a conquest and annexation of new lands. For the first time this strategic line was violated during the revolution of 1918, when Poland, Finland, Lithuania, Latvia and Estonia, and territories of western Ukraine and part of Moldova separated from the Russian empire. Soviet Russia managed to stop the process of state disintegration, having proclaimed the creation of a federal state. A key role in this process played the principle of ethnic self-identification, which was used by Bolsheviks as a tactics aimed at engaging non-Russians on their side. The slogans of «the Red» about national liberation movement of the peoples turned out to be more attractive, than «the White» banner of “united and indivisible” power. As a result the Union began to be formed, and the territory of the former Russian empire was almost completely restored by 1939.

The post-war expansion of the socialist camp continued the historical expansion of Russia, but this time it happened on the Soviet and socialist basis.

Despite the socialist system, the nature of Soviet Russia has maintained many qualitative characteristics of the Russian empire as a state, and the degree of centralization reached an incredible extent there. The Soviet Union certainly modified the relations existing in the Russian empire, where the parent state, presented by the central Russia, and provinces, which occupied the place of the colonial or semi-colonial outskirts, sometimes even with their own legislation and features of their internal system, clearly stood out. In the USSR the Union republics became formally equal, but the domineering position of the center, of the Russian language and the concurrence of

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structures of RSFSR to the central bodies meant the actual preservation of the elements of relations pattern *a parent state / province*. Despite the federal nature of the Soviet Constitution, in reality the Soviet Union was one of the most unitarian states of the world with rigid authoritarian control system. To put it shortly, the USSR was a «Large Russia», and thus continued the empire tradition in the shape of socialism. Therefore the collapse of the USSR should be considered as the beginning of decomposition of old Russia and the rise “of new Russia “, rather than as disappearance of the particular form of state.

«New Russia» found itself within the boundaries of the epoch before Peter the Great. Reduction of the state territory is a qualitative, but not a quantitative factor. In fact all parameters influencing the large policy had changed. Economic and demographic potential had sharply decreased. The national economy increased its costs because of losing the south. The climate of the state became more severe, and at the same time the problems of the communications (extension, influence of the tariffs on economy etc.) remained practically the same. The position of Russia on the Caspian, Black and Baltic seas was cardinally changed and ceased to be the key one, what affected both economy and foreign policy. But what is most important, the value orientation has also changed: Russia has to pass from ideology of expansion of territory to its arrangement, i.e. to extensive culture of reproduction of economy and public life.

Along with that, the old scheme of relations *the parent state / province* is being changed to the scheme *the center/entities*, and it requires the development of a new way of thinking and of a different governance culture.

The history of Russia leaves a trace on all public processes, including the state structure. The peoples and territories, which have joined Russia, have not disappeared anywhere and have not dissolved. On the contrary, having maintained their culture, language and religion, they experience a period of revival today and openly put forward their demands to the state, which should not only take them into account, but also assist the development of these peoples. At the same time the share of the non-Russian peoples in the general structure of the country's population is not a determinative, as they live compactly on their historically native land, they are not national minorities, but native born ethnos with the appropriate claims on the control of their own territory. It is one of the main reasons of the asymmetry of Federation in Russia.

The transition to the conditions of democracy and market makes us take into consideration the geographical, climatic and economic variety of country on a greater extent than before. The vastness of country ceases to be an advantage of Russia and becomes a serious disadvantage. Russia now should live in conditions of decreasing resources and worse conditions of the access to the seas, but practically with the same length of its borders, which should be maintained and protected.

The size of the country causes difficulties in the process of creation of the uniform market and equalizing the levels of development in various regions. Really, the variety of conditions of existence in regions is such that it is hardly possible to expect to equalize of social development of the subjects. The gap between them will be stimulated by geographical, climatic and economic advantages of separate regions. Krasnodar kray will always be in a particularly favorable condition because of its subtropical climate and access to the Black sea. The development of the North of Russia will be always problematic because of the huge expenses necessary for «the northern delivery». The Kaliningrad oblast is constrained to be guided by the Baltic countries and to live in the special mode of the enclave, and Primorsky kray is situated in a vast field of attraction of the Asian countries. It is very difficult to present mechanisms capable to create symmetry of statuses for the subjects, which are so different due to objective conditions.

Thus, it is possible to single out the following factors calling the asymmetry of Russian Federation: ethnic, geographical, climatic and economic variety of country, that generates discrepancy of interests of the subjects and demand of the appropriate rights for the solution of certain regional problems.

### *The source of law in Russia*

Soviet Russia in the Manifest of the working and exploited people of 1918 declared the construction of a federal state, and this principle was added to the country's Constitution. Irrespective of the actual situation, federal principle was only legally preserved in the subsequent basic laws of USSR and RSFSR.

The principles of the state structure were not defined in the Manifest on the state sovereignty of Russian Federation adopted in 1990, or in other words, Federation was not founded, but declared. The status of the subjects, the framework of their relations with the center, the procedure of modifying the usual relations and source of law adequate to the nature of a federal state were not defined.

In 1992 the Federal Agreement was offered, which potentially could become the constituent instrument, but it was adopted under the pressure of central government and had a tactical character. As a matter of fact, it was not one agreement, but rather three separate agreements between various types of the entities with center concerning differentiation of powers and authorities, that were signed. Having not signed the Federal Agreement, Chechnya and Tatarstan have created a precedent of armed conflict and declaring independence, on the one hand, and transition to signing bilateral agreements – on the other.

The Federal Agreement contained internal contradictions, and there was no clarity in distribution of powers, furthermore, there was no mechanism of implementation of the agreed on issues, and due to all those factors it became a political, rather than a legal document.

The Constitutional Counsel of 1993 became a significant event from the point of view of federal development in Russia. Many people proposed to declare it a Constituent Assembly. However, the political opportunists forced to select the form of Counsel with a wide range of not very representative participants list. Along with the federal entities it included parties and organization of little influence. The procedure of discussion of various proposals was not defined. In the result the delegation of Tatarstan abandoned the Counsel, and many entities of Federation remained rather dissatisfied with both procedure and contents of the draft of the Main Law.

The main disadvantage of the Constitutional Counsel was that it did not take into account the adopted by then constitutions of republics during the preparation of the draft of the Main Law, and it did not corresponded very well with the declared federal nature of the state. Furthermore, organizers of the Counsel were mostly directed towards the strengthening of the presidential power and were carried away by struggle with the parliament and communists. It was not only the republics that were dissatisfied, but also many areas, which demanded equal rights with the republics. Therefore it was not by chance, that during the referendum almost 1/3 subjects voted against the new Constitution. The contradictions between the federal and local legislation, which arose during the subsequent years, in many respects were the consequence of this partial legitimacy of the Constitution of Russian Federation.

The contractual process between the central government and entities of Federation, which began in 1994, became the original response to the dissatisfaction with the constitutional system and actual management of regions.

Gradually it covered about half of entities of Russian Federation. Simultaneously with signing of the agreements, a number of the political parties and power structures began the struggle for their denunciation, what caused the adoption of a number of laws regulating the relations between the central government and the regions.

Thus, the following documents serve as a legal basis of the federal system of Russia: the Federal Agreement, which exists nominally as a document, the Constitution of Russian Federation, constitutions of republics, which do not always coincide with the Russian Main law, bilateral agreements and, lastly, separate laws of the Russian Federation regulating certain questions of the relations between the central government and the regions.

The development of federal relations in Russia is rather a result of struggle of republics and some regions (first of all donors) with the central government for their rights, than it is a consequence of some balanced policy. For the Russian elite Russia the federalism till now remains a forced concession, rather than result of a conscious choice.

The adopted documents and first of all the Constitution of Russian Federation have defined the varying status of the entities: republics as states with their constitutions, oblasts, territories (krays) and two cities (Moscow and St. Petersburg) as administrative territories and autonomous regions which are included in the structure of other entities. The separate agreements (for example, with Tatarstan and Bashkortostan) have aggravated this inequality, thereby having fixed the asymmetry of federation.

The Constitution of Russian Federation rather vaguely states the nature of Russia. In the Russian empire everything was done on behalf of the monarch, in the USSR — on behalf of the worker and peasants, while in updated democratic Russia the subject of law is not completely explicit. The references on certain «Russian people» do not satisfy republics concerned with vulnerability of rights of non-Russian peoples, and the thesis about «multi-ethnic people», which is frequently voiced by the leaders of the country and is written down in the preamble to the Constitution, has remained a pure declaration.

Today there is an intense discussion about the problem of sovereignty of republics. Representatives of the federal center insist on indivisibility of the Russian sovereignty, in spite of the fact that the republics are recognized as states, and in a number of the bilateral contracts their sovereignty is mentioned directly. As for the republics, they solemnly celebrate their anniver-

saries of the State sovereignty manifests' adoption dates, believing, that the federal state is built upon the principle «of the distributed sovereignty». At the same time the republics understand sovereignty as possession of all completeness of power within the range of their own authorities, which does not threaten the integrity of Russia.

The political culture of Russia is such that the power was built according to the personality of the first person – a monarch, a general secretary of CPSU, a President of the country. This culture does not tolerate separation of authority; it aspires to its maximum completeness, which is why it cannot perceive the theory of the distributed sovereignty.

This debate on the possibility of distributed sovereignty could be called insignificant for the state structure of Russia, if it were not for one principal issue. This discussion defines the source of law. Whether it is the Russian people, whose declaration of intent is defined by the principle of mechanical majority, or in other words, by Russian population constituting 83%, or it is also the opinion of other peoples, which should be taken into consideration irrespective of their number.

The legislation and practice (in an even greater degree) do not meet the interests of non-Russian peoples. Representative and the executive bodies are constituted as if Russia were ethnically homogeneous. But indigenous peoples (the Tatars, the Bashkirs, the Yakuts etc.) have clearly declared their claims on the role of state-forming ethnoses. Moreover, they strengthen their republics, or in other words, they identify themselves (within the framework of Russia) from the point of their own interests.

Formally there are purely «Russian» entities of Federation, which have their own interests and development features. There was even a known self-identification attempt of the Ural republic. Among these entities the most active are the regions - donors. But from the legal point of view they did not declare sovereignty, and their status is established not as a result of self-identification, but «from above». Their population cannot formally be considered the source of law, however the real influence of oblasts and territories (krays) will grow according to the increase of their economic independence. And it becomes an additional factor causing asymmetry of the Federation.

The integrity of the state will be provided, if all variety of interests in Russia is considered, particularly both its ethnic and regional aspects. Under the conditions of democracy a non-controversial federation can be built only

with consideration of two constituents: (1) peoples of Russia, mainly represented by the republics and partly by national-cultural autonomies; (2) territorial (mainly ethnically Russian) formations.

*The tendencies of evolution of statehood in Russia*

Russia is now in transition from the centralized state, retaining the remnants of empire in structures and consciousness, to the democratic federation. There are less and less resources in Russia for a return to the unitarian state. It was not by chance that V.Putin declared in his annual Address to the Federal Council: “A truly strong state is also a strong Federation».

The reforms begun by V.Putin, to a certain extent bring back the unitary thinking and unitary structures, as they are directed on equalization of all entities in their rights. But, first, reforms are rather inconsistent, as, for example, it is the case with the districts (okrug), which still do not have a clear status or precise functions. Secondly, it doubtful whether the reforms will contribute to improvement of the country’s governability. They actually introduce more mess, than stability. The central government intervenes not only in the sphere of joint authorities, but also into the authorities of the entities. There are bulky structures with local branches, which quite often are parallel to local authorities. The federal districts become a superfluous part in power structures.

It is not difficult to predict, that the process will objectively go towards a stricter distribution of authorities between the central government and the entities. It would be expedient for the central government to reserve not maximum, but optimum number of functions, which would include, first of all, defense, protection of borders, customs, financial system and foreign policy. Other functions can easily be delegated to the federal entities. And common federal interests can be realized through adoption of the federal programs, in which the interested entities with the appropriate financial support will participate.

Most likely, the debate on authorities of the central government and entities will last rather long and at the end of this way there will be just a few entities, which will insist on their sovereignty. Those will be the republics with original culture, history and strong religious and other traditions, i.e. Tatarstan, Bashkortostan, republics of Northern Caucasus, Saha (Yakutia) and others. Other entities will hesitate between the opinion of the central government and that of the most active entities. All this will not weaken, but strengthen the asymmetry of Russia.

Donna Bahry\*

## Rethinking Asymmetrical Federalism

### *Introduction*

The design of the federal system has prompted a long and contentious debate in Russia since 1991. Efforts to balance central state interests with ethnic, regional and local diversity have generated a succession of different approaches, from the federal treaty in 1992, to the Constitution of 1993, to region-by-region treaties and agreements from 1994 on. The net result since the mid-1990s has been an asymmetrical federal system with substantial differences in powers across different regions. New initiatives by President Putin in the spring of 2000 represent an effort to remake the system once again.

Much of the debate focuses on the issue of asymmetry.<sup>150</sup> To its adherents, this plural brand of federalism allows needed flexibility for a country that includes eleven time zones and one of the most ethnically diverse populations in the world. Tailoring particular terms to individual regions provides the opportunity for local resolution of local problems. It also offers the prospect of broadening democracy, by increasing representation and opportunities for participation beyond the level of the central state.

Critics, on the other hand, point to several drawbacks. One is an issue of principle: asymmetry, so the argument goes, challenges the underlying assumption of equal rights under democratic government. And differential powers based on ethnoterritorial criteria imply the preeminence of group rights, while democracy should give primacy to the individual. Other critiques rest on more pragmatic arguments. Differential powers across regions can add to the difficulties of coordination across institutions and policies; and inhibit the ability of the central state to reallocate resources across jurisdictions. The ultimate criticism, of course, is that centrifugal forces can unravel the state itself.

While all of these arguments have some merit, they miss a crucial point. Asymmetry is a common and growing feature of democratic federations, especially those with compactly settled ethnic minorities. Individual territo-

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<sup>150</sup> For an overview of the debate, see Lynn and Novikov (1997).

ries and groups enjoy special status and rights ranging from the cultural and linguistic to the political and economic realms. Moreover, even unitary systems have increasingly devolved authority to the regional level and granted asymmetrical rights to different regions in recent years. Globalization and broad societal changes have made highly centralized states less and less able to cope with demands for economic, social, and cultural development. The response has been to reconfigure the allocation of state power between central and subnational governments.

Thus the idea of negotiated, asymmetrical federalism is hardly unique to Russia. My aim here is to provide a comparative perspective on it, by exploring the sources of devolution over the past 25 years, and the various forms of asymmetry in selected countries.

### *Patterns of Federalism*

Federal systems, as Watts (1994; 1996) argues, have emerged in three broad waves since the mid-nineteenth century.<sup>151</sup> The first wave developed with the formation of nation-states in Western Europe and the British Commonwealth, as cities, states and regions coalesced into larger units. This integrative form of federalism was exemplified in Germany (1870), Switzerland (1848), Canada (1867), Australia (1901), the U.S. (1787), Austria (1918) and Brazil (1891). The defining characteristic, according to Stepan, was the primarily voluntary decision by smaller units to pool their sovereignty.

The second wave accompanied decolonization in the post World War II period. In this case, newly emerging states confronted a mismatch between administrative boundaries established by colonial powers on one hand, and pre-existing ethnic, linguistic or religious communities on the other. Federalism thus provided a compromise, allowing the creation of new nation-states while recognizing internal diversity. Examples of this attempt to knit together distinct populations ranged from India (1950), Pakistan (1956), Indonesia (1945-49), Malaya (1948) and Malaysia (1963), to Nigeria (1954), French West Africa and the Mali Federation (1959) (see Watts, 1996). In many cases, however, these efforts to forge new states were unsuccessful as various groups and territories pushed for independence and some federations simply dissolved.

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<sup>151</sup> In keeping with the common definition in the literature, I define a «federal» system here as one with two or more levels of government holding distinct constitutional status and separate (if overlapping) jurisdictions.

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The third wave has had a broader geographical focus, and a different trajectory. Beginning in the mid-1970s, it has primarily brought devolution in existing nation states. Central governments have increasingly handed responsibilities downward to the regional and local level, and recognized special political and economic status for specific regions and groups. Examples include devolution and recognition of special status for Quebec and the Northern Territories in Canada; federalization of previously unitary states in Belgium and Spain; and decentralization of economic and social policies in a host of other cases.

This emphasis on devolution and asymmetry can be traced to several broad trends in the global economy, in politics, and in society over the past 25 years. Shifts in technology and communications have transformed international trade and capital, and with them, the economic role of central governments. National borders and economic barriers have diminished in importance, allowing greater mobility of goods and capital. Protectionism has grown both more difficult to sustain and more unpopular as an economic strategy. These developments, plus the rise of the post-industrial information economy, have prompted widespread reassessments of the efficiency of large, hierarchical firms. The development of «turbo-capitalism,» to use Edward Luttwak's (1999) phrase, has generated ever-greater demand for smaller, more flexible forms of corporate organization that can react quickly to rapidly changing, global markets.

The same trends have also bred a reassessment of centralized, hierarchical government. Declining barriers to trade and increased capital mobility suggest growing constraints on governments' ability to regulate and tax business. The capacity to redistribute revenues is thus increasingly limited.

The constraints pose a particular dilemma for the state's role as guarantor of social welfare. The graying of the population in many countries suggests heightened commitments but limited ability to continue to pay for social welfare programs such as social security, health care, and public services. The common response has been to trim welfare at the national level by handing various programs down to regions and localities.<sup>152</sup> Central governments can thus reduce their obligations while avoiding the political costs of cutting or eliminating benefits.

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<sup>152</sup> *Devolution in social programs would be expected to limit expenditures, because regional and local governments would find it more difficult to finance them (i.e., they have fewer revenue sources of their own to draw on).*

The second broad trend behind devolution is political. The spread of democratization since the early 1970s has prompted increased concern with representation and participation, and these, in turn, heighten the role of regional and local governments (Faletti, 1999). The expansion of democracy below the national level has also come to be seen as a potential counterweight to the reemergence of authoritarianism.

A third source of devolution stems from broader societal changes during the same period. There can be no doubt that ethnic and/or communal identity has become more important – making questions of cultural preservation, language use, and territorial autonomy all much more salient. This is complemented by a parallel trend toward «individualization»: the appeal of centralized collective organizations such as political parties and trade unions has diminished over time, while the role of the individual has increased. As a result, people are less likely to see themselves as part of a large centralized organization, and more likely to identify with local communities (Keating 1999).

Altogether, these trends have led to a paradox, heightening the role of transnational ties but also enhancing the role of subnational governments. The diminishing importance of national borders has facilitated increased efforts at integration across countries, as evidenced in the European Union, and to lesser degrees in NAFTA, Mercosur and other regional organizations. The same forces have also led to what Michael Keating (1999) calls a «re-territorialization» of politics, moving the locus of responsibility for public policies from the central to the regional and local level.

### *Patterns of devolution*

Responses in individual countries have varied from radical and broad devolution to more measured decentralization, primarily in the economic sphere. Space does not permit a complete survey of all of them here. Instead, the following discussion focuses on cases where the change has been most substantial, where unitary governments have evolved into federal or quasi-federal ones.<sup>153</sup>

Spain's transformation since the mid-1970s offers one of the most radical examples. Negotiations over the transition to democracy in the mid-1970s led to recognition of regional autonomy in general, and of special status for historical communities in Catalonia and the Basque country. The

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<sup>153</sup> For a comparative overview, see Keating (1999).

result, since 1978, has been substantial devolution of powers from the center to the regions, especially to the two historical communities.<sup>154</sup> Spain's seventeen autonomous regions (which include a total of 50 provinces) now have six co-official languages and far more responsibility for domestic policy.

Degrees of devolution and asymmetry vary by policy area, however. With respect to economic development, what had been a centralized industrial policy up through the early 1980s has been transformed into a regional concern. Special economic zones were created to scale down subsidized enterprises in heavy industry and to give regions authority over investment policy and tax credits (in conjunction with entry into the European Community). The goal was to help promote research and development, technical training, and the development of small business (Agranoff, 1994).

In health care, six regions conduct their own policy, while the other 11 have regional managers to coordinate and implement federal health policies. In welfare, the federal government stipulates minimum services and provides bloc grants to finance them; but each region has its own policies and programs. And on budgetary matters, two regions (the Basque country and Navarre) have a single-channel tax system, while the 15 other regions rely on shared taxes (Agranoff and Gallarin, 1997).

The Spanish system also proves to be asymmetric in the fields of public order and international economic ties: the Basque region alone among the 17 autonomous communities has its own police force (subject to oversight from Madrid). And the Basque country has its own representative in Brussels (Agranoff, 1994).

In Belgium, national government policies have long recognized the distinct languages and cultures of the Flemish and Walloon communities, under a unitary state. The 1990s brought a constitutional change from a unitary to a federal system, with separate parliaments for Flanders, Wallonia and Brussels, and also for the three main language communities (Dutch, French and German). The three regions now hold primary responsibility for much of domestic policy, from economic development, public works and transportation to foreign trade. Federal government functions include defense, foreign affairs, social security, management of the public debt, and the criminal court system (Judt, 1999).

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<sup>154</sup> Initially, the plan for devolution in 1978 provided for two kinds of paths to autonomy – a «fast track» for regions with a historical claim to differential status such as Catalonia and Basque country; and a «slow track» for the fifteen others. In practice, all 17 regions have witnessed substantial decentralization since then.

Devolution in the United Kingdom has been even more recent. Here, too, some official recognition had long been given to the distinct communities in Scotland and Wales, while the state remained unitary. But growing local support for home rule beginning in the 1970s, and changing party fortunes at the national level in the 1990's (from Conservative to Labour dominance) led to referenda on new legislative assemblies in both regions in 1997.

The two parliaments will differ, however: in Scotland, where local autonomy on some issues had traditionally been broader, (and the movement for home rule was stronger), the new assembly has primary powers of legislation in several areas – economic development, health care, education and manpower training, housing, social work, regulation of local government, environmental matters, and the justice system (plus all residual powers not specifically reserved to the national government) [Keating, 1998]. The Welsh assembly is to have more limited powers of secondary legislation, i.e., the ability to adjust legislation from Westminster (Keating, 1998). Both Scotland and Wales have gained the right to participate in the British negotiations and delegations to the European Community; and Scotland is now recognized as having the right to a representative in Brussels.

Many more cases of devolution and asymmetry are focused primarily on the economic sphere. In China, reforms since 1978 have created a variety of special regimes in different regions. The first initiative in 1980 designated four southern regions as Special Economic Zones (SEZ), offering preferential tax policies to lure foreign investment. That was followed by the creation of 14 «Coastal Open Cities» (COC) in 1984; 32 «Economic Technology Development Zones;» 13 «Tax-Bonded Areas;» 52 «High-Technology Industrial Development Zones,» and other special regimes for regions and localities. (Cho and Tung, 1998; Dutta).<sup>155</sup> Efforts to create 57 SEZ's have been launched in the four countries of Latin America's Mercosur (Argentina, Brazil, Uruguay and Paraguay) [Kotabe, 1998]. The SEZ's, with differential economic rights, are intended to help stem capital flight and increase exports. These economic measures have accompanied a more general trend across Latin America to devolve powers to the regional and local level since the 1980s (Faletti, 1999).

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<sup>155</sup> Cho and Tung (1998) write that these different regional economic regimes vary in emphasis. Some, such as «High-Technology and Industrial Development Zones,» are generally built in university districts of major cities to promote investment in research and development of high-technology sectors. Others may focus on the development of local infrastructure to promote greater foreign investment, or on a host of other incentives to generate economic growth.

Thus the shift from central to regional and local authority has extended across continents, and across both new and old democracies. However, while similar trends seem to be at work in virtually all the cases, both the process of devolution and its results have varied from country to country. After all, decisions about when and what to decentralize are inherently political. In many cases, they have depended on the fortunes of political parties at the national and regional level. Madrid, for example, has varied over the years in its willingness to cede power to the Spanish autonomies, depending on the strength of the ruling party/coalition at any given time and the need to form alliances with regional parties (Agranoff and Gallarin, 1997). And the push for home rule in Scotland and Wales developed momentum once the Labour and Liberal parties signed on, and the Conservatives' electoral support eroded (Keating, 1998).

### *The Dilemmas of Asymmetry*

As devolution and asymmetry spread globally, they raise a host of questions about the implications for democracy, equality, and national integration. With respect to the fit between democracy and asymmetry, the standard argument, as noted earlier, is that rights should be guaranteed to individuals rather than groups. But this is a narrow view: democracy is also about protecting rights of minorities, and guaranteeing representation and participation. As Stepan (1999b) notes, asymmetric federalism is an effort to recognize these multiple dimensions of democratic rights.

Whether devolution and asymmetry do in fact broaden democracy, however, obviously depends on how political institutions operate in specific cases. Stepan (1999b) argues, for example, that democracy is enhanced where the transfer of authority between center and regions is subject to open, transparent approval procedures at the national level – that is, where devolution is legitimized either through the constitution or by approval in the national parliament.

Democracy is also enhanced when there are common rules of the game to promote political competition and accountability within regions.<sup>156</sup> Thus, in the Spanish case, the autonomies hold uniform regional elections, using proportional representation and a common formula for allocating seats; their

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<sup>156</sup> Note, however, that devolution itself can also complicate the issue of accountability, as voters are faced with a diverse array of elected officials with overlapping responsibilities. See Downs (1999).

legislators face term limits; their cabinets are limited to ten members; and their legislators may vote a prime minister and cabinet out of office via a constructive vote of no-confidence (Agranoff and Gallarin, 1997).<sup>157</sup> In Germany, each land has its own constitution – and laender all have the right to decide on a unicameral or bicameral legislature (only one state, Bavaria - has opted for bicameralism). Laender also decide themselves whether the executive is directly or indirectly elected (Boase, 1994).

Finally, democracy is enhanced where there are commonly accepted mechanisms for resolving the inevitable conflicts that arise over central, regional and local jurisdiction. In fact, it might be argued that democracy is valuable precisely because it provides a framework for managing such disputes. Agranoff and Gallarin (1997) note, for example, that both the Spanish central government and the autonomies have turned to the constitutional court repeatedly since the 1980s to resolve federal conflicts. In 1981, the central government challenged 41 percent of the laws and decrees issued by the 17 autonomies; but that number dropped over the years, to seven percent in 1990. Over the same period, the autonomies (especially the two historical regions of the Basque country and Catalonia) also raised hundreds of challenges to the national government through the court system. But the number of challenges from the regions has also diminished over time. The constitutional court, for its part, has ruled for both sides, upholding the principles of devolution and asymmetry, but also recognizing the central government's prerogatives in some areas. In addition to the legal system, some federations also possess other mechanisms for resolving center-regional conflicts. In Germany, for example, the upper house of parliament (Bundesrat) holds absolute veto power over questions affecting the laender.

The question of inequality across regions is similarly complex. By definition, the provision of asymmetrical powers to regions and localities means that regional policies should differ, reflecting varied preferences for public goods and services. The problem, of course, is that regional preferences and regional economic and fiscal resources are often mismatched. Levels of economic development and corresponding revenue bases vary; as does economic profile (e.g., between «rustbelt» versus «sunbelt» regions).

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<sup>157</sup> According to the Basque government, legislators also serve full-time, and may not be members of the royal family, the government, electoral commission, the police or the armed forces. I was unable to determine whether these provisions apply to all 17 autonomies. The autonomies do differ in defining electoral districts: some have a single district encompassing the entire region; while others have multiple districts (Mershon and Hamann, 1999).

To add to the complexity, central governments' capacity to reduce these differences by traditional methods has grown more difficult, due to the trends outlined above. As Keating (1999) notes, federal-level governments have experienced a striking loss of capacity to forge territorial economic compromises by traditional means: «Diversionsary [i.e., redistributive] regional policy measures...are much more difficult to implement in a globalized economy because firms have a wide choice of location outside the boundaries of the state.» Thus old strategies for regional protection, such as tariffs, diversionsary regional policies, and state-directed investment strategies no longer prove as feasible or effective (Keating 1999).

Instead, many central governments have handed more responsibility for economic development to regions themselves. Central policies often focus on stimulating growth in less developed regions by promoting local competitiveness – for example, with credits for infrastructure, high technology, creation of special economic zones etc. These steps, so the argument goes, reduce centralization and regulation, and thereby encourage economic growth, as demonstrated with dramatic results in China. There, the adoption of SEZ's yielded average growth rates in eastern regions (i.e., primarily coastal) of 11.4 percent per year during 1984–1993, while initiatives in Western regions yielded average growth rates of 8.9 percent per year during the same period (Dutta).

However, most central governments have shown much less of a tendency to devolve revenue sources to regions and localities. The preponderance of taxes remains concentrated at the national level, since the ones with the highest yields generally tend to be more easily and efficiently collected on a central rather than regional basis (Norregaard, 1997). If anything, the advantages of national governments have increased in this regard, given the impacts of globalization and increased capital mobility noted above. Thus devolution in expenditures and in economic policy has not been matched by a corresponding decentralization of revenues.

The alternative in most cases has been to rely instead on various mechanisms to re-allocate federal funds, from tax-sharing to special-purpose grants for specific programs to outright subsidies. And the choice of mechanism seems to depend on the goals of the central government. Where these goals emphasize cross-regional equalization, as in Germany and Canada, for example, federal revenue sharing emphasizes explicit redistribution to offset regional differences in tax capacity (Krelove, Stotsky and Vehorn, 1997;

Spahn and Fottinger, 1997). Where federal goals are more diverse, as in the U.S., mechanisms for central funding of state and local programs are less explicitly redistributive.

Finally, the trend toward devolution also raises questions about the prospects for national integration. It seems obvious that a diminished role for the central government and divergent policies across regions would exert increased centrifugal pressures on the national state. Belgium and Canada may be the clearest examples of the difficulties involved in preserving the federal system overall. But whether they can be preserved depends in part on identifying the real sources of devolution and responding to them. If trends toward devolution are indeed products of global changes in economic and social life, then ignoring them would seem to be a losing battle. The question is how to build institutions that can adapt.

### *Conclusions*

Asymmetry and devolution have become facts of life in both federal and unitary systems over the past 25 years. My aim here has been to demonstrate that these are the result of broader global trends in economics, society and politics. They suggest increasing limits on the economic effectiveness of centralized states. However, whether regions actually benefit from these changes depends on how governments at the grassroots adapt to the global market and to commonly accepted democratic rules of the game.

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### Asymmetrical Federalism and Russian State-Building

In the 7 years that have elapsed since the dissolution of the Soviet Union, the Russian Federation has been haunted by the specter of its own possible disintegration. Even before the demise of the USSR, a number of political actors and analysts had expressed their fear that by joining the struggle for sovereignty of other Union Republics, Russia had placed its own territorial integrity in jeopardy. Alarmed at the potential «domino effect» of Russia's declaration of sovereignty, Alexander Tsipko warned at the time, «the stronger the striving of the RSFSR to free itself from the center, the stronger will be the desire of the autonomous formations to free themselves from Yeltsin... The relationship of 'Russia to the autonomies' is constructed on the same principle as that of 'the Union to the RSFSR'». <sup>158</sup> Similar views were echoed by Andranik Migranyan, who asserted «The bomb planted under the USSR by the declaration of Russian sovereignty is, it seems to me, facilitating not only the destruction of the USSR but also – to an even greater extent – the destruction of Russia itself... Where are the geographical boundaries of the republic that is supposed to represent ethnic Russians?» <sup>159</sup>

These widespread and continuing anxieties about the potential for separatism on the part of Russia's ethnic republics, which were further fueled by developments in Tatarstan and Chechnya in particular, were tersely captured in the title of a 1993 article by a leading Russian specialist on nationality issues: «Will Russia Repeat the Path of the Union?» <sup>160</sup> Indeed, the conflict with Chechnya came to be viewed as a test of the Federation's viability, with advocates of the use of force insisting that unless Chechnya's secessionist-minded leadership were brought to heel it could trigger the unravelling of the entire Federation.

In retrospect, these anxieties regarding potential secessionism in the ethnic republics proved to be exaggerated. The demands for sovereignty on the part of Tatarstan were ultimately resolved through negotiations, and ar-

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<sup>158</sup> Cited in John Dunlop, *The Rise of Russia and the Fall of the Soviet Empire* (Princeton: Princeton University Press, 1993), p. 64.

<sup>159</sup> *Izvestiya*, September 20, 1990.

<sup>160</sup> Leokadia Drobizheva, «Povtorit li Rossiia put' Soiuza», in Lilia Shevtsova, ed., *Rossiia segodnia: Trudnye poiski svobody* (Moscow, 1993).

guably a political solution could have been found to the conflict with Chechnya as well.<sup>161</sup> Although a comprehensive analysis of the reasons why the danger of ethnic separatism has not materialized lies beyond the scope of this presentation, several factors deserve to be mentioned here. First, the alleged structural parallels between the USSR and the Russian Federation (RF) that are believed conducive to ethno-national separatism don't stand up to closer examination. Despite the fact that the Russian Federation inherited key elements of the ethno-territorial structure of the Soviet Union, its structure is far less conducive to ethnic fragmentation than was that of the USSR. The USSR could be described as a Russian heartland surrounded, on its northwestern, western and southern peripheries, by non-Russian republics; the 21 ethnically-defined republics of the Russian Federation, by contrast, are more like islands in an ethnically Russian sea, and most lack external borders.<sup>162</sup> Moreover, its demographic structure is strikingly different as well. Not only is the RF ethnically far more homogeneous than the USSR was, with an ethnic Russian population constituting almost 85% of the total, but within the ethnic republics of the Federation the titular nationality does not occupy the same dominating role, constituting a majority in fewer than half the republics. By contrast with the Union Republics of the USSR, Russia's republics never enjoyed the same broad panoply of political, economic, cultural and foreign policy institutions, nor formal recognition of the right to secession. And unlike the Baltic states and Georgia, they lacked (with the possible exception of Tyva) any experience of independent statehood.

Not only is the institutional basis for mobilization weaker; so is the political impetus too. Although the process of national revival in the late Soviet period allowed a variety of grievances to be expressed, and gave voice to resentment against imperial conquest and exploitation, the government of post-Communist Russia was arguably less of a target for such grievances than had been the Soviet center. Moreover, by contrast with the national movements of the late Soviet era, in which anti-Russian sentiments were subsumed in a broader struggle for reform of the Soviet system and against Communist rule, national movements in the republics of post-Communist Russia were oriented toward ethnic rather than civic nationalism and

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<sup>161</sup> This argument is developed in Gail W. Lapidus, «Contested Sovereignty: The Case of Chechnya», *International Security* 23, 1: (Summer 1998), pp. 5-49.

<sup>162</sup> The Russian Federation consists of 89 subjects, divided into two broad categories: ethnoterritorial units, which include 21 republics, and purely administrative-territorial regions (oblasts and krajs) populated mostly by Russians.

were deprived of all but anti-Russian sentiments as the focus of mobilization. Indeed, Moscow's readiness to strike bargains with regional elites, and, with the notable exception of Chechnya, its effort to seek consensus rather than confrontation worked to defuse latent conflicts and antagonism.

Finally, although there continues to be a significant degree of support for the right of secession among the populations of a number of republics,<sup>163</sup> there has been little tendency to actually mobilize around it. Indeed, the past few years have been characterized by a notable degree of ethnic and political de-mobilization across the entire region of the former Soviet Union, as well as within the Russian Federation itself.<sup>164</sup> Recent analyses of popular attitudes suggest that the dissolution of the USSR, along with the catastrophic war in Chechnya, far from stimulating further separatism, have been sobering experiences; fears of disintegration and violence have turned out to play a moderating rather than a precipitating role. Although Moscow's use of force provoked harsh criticism and some countermeasures in a number of republics, the overall effect of the war was to dampen ethno-national separatism.

Moreover, as the war in Chechnya demonstrated once again, the international community is demonstrably unwilling to offer political support to secessionist movements. In view of its unequivocal support for the territorial integrity of the Russian Federation<sup>165</sup>, no republic elites could be under any illusion that foreign governments could be counted on to support their efforts. It is therefore reasonable to conclude that, barring unusual circumstances to be discussed later, ethnonational challenges to the federal center on the part of the constituent republics remain highly unlikely.

If separatist tendencies in the republics were earlier the main focus of concern, in the past few years it is the growing trends toward autarchy in the Russian regions, that have increasingly attracted the attention, and the alarm of analysts and political elites alike. While a healthy dose of decentraliza-

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<sup>163</sup> A recent survey carried out by a team of researchers under the leadership of Leokadia Drobizheva in several republics and regions of the Russian Federation in 1998 found strong support for the right of secession, with 54% of respondents in Tatarstan, 44.5% in Northern Ossetia - Alania and 60.4% in Sakha/Yakutia asserting such a right. From 71% to 85% considered the use of Russian force in such circumstances unacceptable; See Leokadia Drobizheva. *Ethnic and administrative boundaries. Stability and conflict factors*. Moscow, Institute of Ethnology and Anthropology of the Russian Academy of Sciences, 1998.

<sup>164</sup> Mark Beissinger; «Event Analysis in Transitional Societies: Protest Mobilization in the Former Soviet Union», in Dieter Rucht, Friedhelm Neidhardt, and Ruud Koopmans, eds., *Acts of Dissent: New Developments in the Study of Protest*. Berlin, Gy: Sigma Press, 1998.

<sup>165</sup> Gail W. Lapidus, «Contested Sovereignty: The Case of Chechnya»..., p. 5-49.

tion was initially viewed as an important element of political democratization, given a long tradition of hyper-centralization of state power, Russia now faces an uncontrolled and seemingly uncontrollable unravelling of central power. It is above all the striking weakness of the Russian state, and the capricious and ad hoc quality of decisionmaking, which are largely responsible for the growing assertiveness of regional elites, and which have encouraged the regions to act independently, and often in outright defiance, of central authority. This trend has given rise to fears that at best Russia is being progressively transformed from a federation to a confederation, and at worst that it will be thrown backward to the period of medieval chaos and conflict known as the era of «appanage principalities».

The economic and political crisis, which came to a head in August 1998, dramatically accelerated these trends, as one regional leader after another announced radical measures to cope with the crisis by insulating his own region from its fallout. The heightened alarm generated by all these developments was dramatically expressed by newly elected Prime Minister Yevgeny Primakov in his first address to the Russian Duma on September 12, 1998. Voicing grave concern that Russia was in danger of breaking up, Primakov announced that the first priority of his new government would be the preservation of Russia's unity. «This issue is far from theoretical at the moment, and far from hypothetical... We are facing a most serious danger, the most serious danger that our country will split into separate parts».<sup>166</sup> In an effort to enhance the stake of regional elites in the fate of Russia as a whole, he announced that among his first initiatives would be an effort to give selected regional governors a more influential and visible role in national policy-making.

While a comprehensive examination of the sources and dynamics of center-periphery conflicts, and of the impact of the current political and economic crisis on them, is beyond the scope of this paper, most of the issues at stake can be broadly grouped into two categories: political conflicts over issues of jurisdiction between center and periphery, and economic conflicts over the control and allocation of resources.<sup>167</sup> Indeed, the centrality of these issues has dramatically altered the entire framework of discussion about fed-

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<sup>166</sup> Sergey Pavlenko. *New federalism: politics and counter-politics*. // «Pro et Contra» 2, 2: 34-46, 1997.

<sup>167</sup> This analysis excludes from consideration another category of conflicts, the «horizontal» interethnic tensions and conflicts within and between republics.

eralism and center-periphery relations. To put it briefly, whereas much of the earlier discussions revolved around conflictual relations between the central government and the republics, and the relative status of republics compared to regions, in recent years, as much of the distinction between republics and regions has been eroded, other bases of cleavage have become more salient. In part this reflects the deliberate effort of the federal government to relativize the special privileges initially granted to the republics in the negotiations over the Federation Treaty of 1993 and in the bilateral treaties signed with individual republics. The resentment of the regions over what they considered their second-class status in an asymmetrical federation which granted what were, in their view, unjustified privileges to republics was partly defused by the Constitution of December 1993 which ignored the Federation Treaty and treated republics and regions as more or less equals.<sup>168</sup> Moreover, when the federal government effectively upgraded the status of the regions by proceeding to negotiate bilateral treaties with them as well, concerns over economic regionalism began to displace the focus on ethnic separatism. In the often chaotic and ad hoc bargaining process surrounding these negotiations, the demands of republic and regional elites tended to converge around similar issues: greater political and economic control over decisions affecting their regions or republics, and more favorable treatment with respect to taxation and resource allocation. Despite the widespread support for «sovereignty», there was in fact little expectation of or demand for separate monetary systems, military forces, foreign policies (as distinct from the development of economic ties with foreign partners), or other attributes of independent statehood. If the threat of secession once gave the republics a unique source of leverage in bargaining with the center, arguably the governors of key regions have available to them other assets that can be deployed.

These trends generated two broad types of conflict between federal authorities and regional elites. The first were largely conflicts over jurisdiction: over who has the right to make authoritative decisions over such issues as appointments of local officials, electoral rules, privatization, tax rates, the stationing of conscripts, or regulations concerning property rights. Despite a

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<sup>168</sup> For a more extensive treatment, see Gail W. Lapidus and Edward W. Walker, «Nationalism, Regionalism and Federalism: Center-Periphery Relations in Post-Communist Russia», in Gail W. Lapidus, ed., *The New Russia: Troubled Transformation* (Boulder: Westview Press, 1995).

three-year-long effort to arrive at a demarcation of the respective powers of federal and regional authorities, which would establish clear and transparent «rules of the game», their application continues to be highly contentious in practice. Some provisions of previously signed treaties conflict with the Constitution or with other federal laws; others occupy ambiguous «gray areas» whose status is contested. Consequently, center-periphery relations have been characterized by an ongoing «war of laws» in which federal authorities seek to overturn decisions by local governments that are alleged to violate provisions of the constitution or federal decrees, while local authorities retain considerable ability to block the implementation of these directives.

The federal government is not without instruments to enforce its will. At a high-level conference convened in January 1998 to discuss the problems and prospects of Russian federalism, Prosecutor-General (Prokurator) Yury Skuratov asserted that over the last two years, prosecutors at all levels had challenged and reversed over 2000 laws and resolutions passed by regional legislatures that violated the Russian Constitution.<sup>169</sup> Nonetheless, the report to the conference prepared by a commission of experts expressed concern over the «contradictory and inconsistent nature of measures implemented to build a federal state in Russia,» and asserted that Russia was governed by methods characteristic of both unitary and confederal states.

A second category of conflicts have centered on issues of resource allocation: struggles over the level of federal taxes to be paid by regions and over the amount of subsidies to be returned to them, struggles over the control and disposition of natural resources, conflicts over the growing trend for regional authorities to issue their own currency-equivalents, and efforts to impose restrictions on the flow of goods into and out of regions that violate the principle of a unified economic space across the Russian Federation.

While these conflicts reveal the chaotic and contradictory impulses that have shaped the development of federalism in Russia, given the enormity and variety of the challenges confronting the country the accommodationist thrust of central policies has on the whole served to defuse potential confrontations and provide a useful degree of flexibility in responding to the very divergent needs of extraordinarily diverse regions.

The economic and political crisis of August 1998 had immediate and far-reaching consequences in the regions, not only accelerating many of these trends but forcing the regions to become even more self-sufficient.

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<sup>169</sup> *ITAR-TASS Moscow, January 19, 1998.*

With the ruble falling precipitously in value, bank accounts frozen, the price of consumer goods soaring and their availability shrinking, and panic spreading, regional elites were compelled to find their own ways to deal with the crisis. As one commentator put it, «the collapse of the ruble and the banking system is nothing compared to the collapse of the Federation's political institutions. The central authorities' inactivity is forcing the regions to act on the principle of «every man for himself». The governors and presidents, realizing they can't expect any kind of specific guidelines from the center, much less any assistance, are taking extraordinary measures to keep the situation under control. The crisis management experience the regional elites have acquired and the additional powers they have assumed over the past few weeks will inevitably make Russia into a confederation.»<sup>170</sup> While this may well be an overstatement, the remarks speak to a serious set of problems.

The measures adopted by a number of regional leaders to cope with the crisis fell into several broad categories. A first set of measures were an effort to concentrate authority at the regional level for dealing with the crisis: the governor of Kaliningrad region declared an outright state of emergency, notwithstanding the fact that only the President of Russia is empowered to do so, while in other regions, including Nizhni-Novgorod and Sverdlovsk, anti-crisis committees with virtually dictatorial powers were hastily established to ensure the continued functioning of economic and especially financial institutions. Secondly, a large number of regions and republics responded by introducing price controls on a range of basic foodstuffs and consumer goods in an effort to insulate their populations from the effects of inflation. Many regions imposed restrictions on the export of agricultural products from their territories, in violation of federal laws guaranteeing the free movement of goods and services throughout the Russian Federation. In some regions measures were adopted that sought to insulate local banks from the repercussions of the financial collapse by halting the transfers of depositors' funds to Moscow or by organizing regional systems of internal and external settlements independent of the central banking system. And faced with little prospect of actually receiving the federal transfer payments to which they were nominally entitled, a growing number of regions either deducted those sums from tax revenues owed to Moscow or declined to transfer tax revenues altogether.<sup>171</sup>

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<sup>170</sup> *Nezavisimaaia gazeta*, 10 September 1998, p. 2.

<sup>171</sup> *Tatarstan, Bashkiria, Kaliningrad and Tomsk reduced or eliminated tax payments, while Kalmykia planned to print rubles to replace tax revenues that had mysteriously disappeared from its National Bank, prompting federal authorities to liquidate the bank and shift its functions to the Volgograd region.*

These moves were described in highly alarmist terms in the national press. In the pages of *Izvestiia*, Valery Konovalov referred to «food separatism» as even more powerful than political separatism, while a commentator on *Ekho Moskvy* declared August 17 to be the day when the regions began their existence as entities separate from Moscow.<sup>172</sup> While it is too early to judge the longer-term consequences of these developments, both the response of the federal authorities and the effects of market forces themselves acted to constrain and limit many of these trends.

Restrictions on the export of goods prompted retaliation by neighboring regions; price controls reduced the willingness of suppliers to provide food and other staples; and the federal government acted swiftly, and in many instances successfully, to confront challenges to its authority. Alongside the more coercive measures available to it, the federal government also continued to wield a significant number of carrots: federal subsidies still play an important role in many regional budgets, and the large number of federally-owned properties in the regions – from military-industrial enterprises to the energy monopolies to the railroads – all employing large numbers of workers, depend on federal funding for their continued operation. Even the ability of regional leaders to attract the foreign investment and partners they count on to promote the development of their regions depends on the cooperation as well as the reputation of the federal government. It is not surprising, then, that by contrast with the situation that prevailed in the late 1980's no major political figures publicly advocate the further devolution of power in the Russian Federation; indeed all the leading candidates for the presidency have called rather for the strengthening of the state and a struggle against disintegrative tendencies.

What the above sketch suggests, however, is that the growing weakness of the federal center and its failure to meet the expectations once vested in it have had several longer-term consequences. They have multiplied the conflicts between center and periphery over jurisdictional and distributive issues, as the regions seek to assert greater control over power and resources. They have also contributed to a shift in focus away from a concentration on bargaining with Moscow to one of seeking regional strategies for survival as more self-sufficient entities, particularly in the case of wealthier and more resource-rich regions, or regions in the Far East with the potential for extensive foreign economic ties, such as the Amur and Sakhalin regions and the

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<sup>172</sup> Presentation by Emil Pain, Stanford University, November 6, 1998.

Maritime and Khabarovsk kraia.<sup>173</sup> This tendency goes hand in hand with increasing public confidence in their own regional governments and a pervasive decline in confidence in the Moscow authorities. A survey commissioned by USIA and carried out in late 1997 confirmed that not only was confidence in regional governments considerably higher than in the federal government, but it had grown from roughly 20% in 1992 to 44% by late 1997.<sup>174</sup>

A further notable trend is the growing diversity among the country's regions. Economic inequality has been accelerated by the weakening of the central government's redistributive capacity as well as by the diverse endowments of different regions, which give them differing potential to participate in the local as well as global economy. The traditional cleavage between «donor» and «subsidized» subjects of the Federation has now been overlaid by the differences among raw materials exporting regions, agricultural regions, and those with strong concentrations of heavy and military industry. According to one estimate, in 1990 the 10 most developed regions had a per capita industrial and agricultural output 2.3 times greater than the 10 least developed; in 1996 the gap had increased to 4.5.<sup>175</sup> The regions are also characterized by increasingly diverse leadership strategies and capacities, making the Russian Federation a virtual laboratory for testing different developmental models.<sup>176</sup>

What does all this herald for center-periphery relations in the near term? The northern Caucasus constitutes a special case, with Chechnya effectively out of central control and a high potential for conflict and instability in neighboring republics, Dagestan in particular. A further contraction of Russian power in this region is not out of the question. Elsewhere in the Russian Federation we witness growing economic and political autarchy in regions and republics alike, but little evidence of serious political separatism. This picture could be altered significantly by two possible developments. The inability of the central government to provide for the welfare of military

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<sup>173</sup> For a discussion of these centrifugal trends, see: Sergei Khenkin. *Separatism in Russia – Past or ahead?* // “Pro et Contra”, 2,2: 5-19, 1997.

<sup>174</sup> «Russia's Regional Government Are Gaining Public Confidence,» *USIA Opinion Analysis*, January 23, 1998. The survey also demonstrated considerable variations among regions in the level of public trust, ranging from highs of 81% in Orel oblast, 73% in Kemerovo, and 66% in Moscow city, to a low of 21% in Vladimir oblast.

<sup>175</sup> *FBIS translated text from Moscow Rabochaia Tribuna*, January 19, 1998.

<sup>176</sup> For a study explicitly focusing on such regional variations, see Mary McAuley, *Russia's Politics of Uncertainty* (Cambridge University Press, 1997).

units across the territory of Russia has already made them increasingly dependent on local authorities. Were this trend to continue and intensify, the regionalization of the armed forces could significantly increase the capabilities of regional elites and create new temptations and dangers. The other potentially destabilizing trend would be the emergence of political actors promoting aggressive forms of Russian nationalism and chauvinism to advance their political ambitions. Actions that would threaten the autonomy and status of non-Russian populations and republics, or seek to mobilize Russian diasporas in neighboring states, could trigger an escalation of inter-ethnic tensions and regional conflicts both within the Russian Federation and along its periphery. But they would do little to address the more fundamental challenges of state building in contemporary Russia.

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Leokadiya Drobizheva\*

**Problems of asymmetric federation as viewed by elite and the masses**

The subjects of Federation and the federal central government have both common and different approaches to the question of development of the Russian state as an asymmetric federation. The commonalities include things that everyone agrees on: the development of Federation is influenced by different historical, legal, economic, geographical, ethnic-national conditions of formation of the federal subjects. However, in the central government there dominated the following understanding: differences in the status of subjects caused by a variety of these conditions were a phenomenon to be overcome. In the meanwhile, the federal entities, especially those with the clear voice in their dialogue with the central government, considered such discrepancies to be natural, and the asymmetry of federation - to be built on the objective bases. The arguments of the asymmetry of federation were presented both for the Russian state as a whole, as well as for substantiation of the status of concrete federal subjects.

On the whole, the historical arguments for the elite of republics in Russia were the following examples:(1) special statuses in the Russian empire of Finland, Poland, Bukhara, Khiva (2) differences in the status of allied and independent republics in the composition USSR.<sup>177</sup>

It is possible to attribute to historical arguments the quotations of experience of other states, which are already formed democratic federations: Germany, the USA etc. So, F.K. Mukhametshin - the Chairman of the State Council of Republic of Tatarstan, opening the international conference «Federalism: the global and Russian measurements» in Kazan in September, 1993, gave an example of Switzerland, which was formed as a federation from the confederated states by transfer of authorities to the center from below upwards.<sup>178</sup>

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<sup>177</sup> *R.S. Khakimov. On the fundamentals of asymmetry of Russian Federation.//Asymmetric federation: view from the center, republics and regions. M., 1998, p. 31.*

<sup>178</sup> *F.K. Mukhametshin. Report at the international scientific-practical conference "Federalism; global and Russian measurements». Federalism: global and Russian measurements. Kazan, 1993, p. 12.*

Bavaria and Saxony in Germany, which possess some independent international rights and their own constitutions, which call them states but not lands, state of Louisiana in the USA, former French colony, which voluntarily joined the federation on the basis of the stable right of freedom of withdrawal (all other states do not enjoy such a right; in this state the flag of Louisiana hangs flush with a flag of the USA on a flagpole, while the flags in other states are slightly below; in Louisiana there are special programs of language training) were also taken as examples. The state Ontario in Canada also has special rights (organization of its power structures). All these examples of the historically usual asymmetry in federations formed the basis for the leaders and ideologists in republics trying to prove peculiarities of their statuses in the composition of Russian Federation.

Moreover, historical arguments were given to support the sovereignty and special rights of republics, depending on the peculiarities of territories' joining Russia and the USSR. In the above-mentioned report of F.K. Mukhametshin it was also said: «The Statehood of the Tatar people has more than a thousand year old traditions. Its historical memory keeps the flourishing of the Great Bulgar, the epoch of Golden Horde, the conquests of Kazan khanate... Nobody legally abolished statehood of the peoples living on our territory in the pre-Soviet period. Among numerous titles of the Russian emperor was the title of the King of Kazan. Formally it was only from 1917 till 1920 that the Tatar people had no statehood.

The year 1920 entered our history as the year of creation of an independent republic according to the Decree of the All-Russia Executive Committee and The Council of the National Commissioners of the USSR».<sup>179</sup>

Tatarstan leaders and ideologists never lost a chance to remind, that even as part of the USSR the republic raised the question of changing its status up to the level of a union republic during the preparation of the Constitution in 1936 and 1977. And R.S. Khakimov – the state counselor on political questions of the Tatarstan President gave examples of intelligentsia addresses to the power structures with such proposals in 1951, 1954, and 1964.<sup>180</sup>

Tatarstan and Bashkortostan claimed on the position of union republics. And their special condition has found reflection in the state relations in the USSR: the chairmen of the Supreme Councils of the Tatar and the Bashkir Autonomous Soviet Socialist Republics along with the Chairmen of the Su-

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<sup>179</sup> *Ibidem*, p. 13.

<sup>180</sup> R.S. Khakimov. *On the fundamentals of asymmetry...*, p. 37.

preme Councils of union republics were the members of Presidium of the Supreme Council of the USSR, the only difference being that they represented autonomies.

Tatarstan leaders also recollect the period of last months of the existence of the USSR, when during preparation of the new Union Treaty the former autonomous republics participated in it on the equal rights with union republics. As for Tatarstan, according to opinion of Indus Taguirov, - academician, historian, one of the founders of the Manifest of the sovereignty of the republic, they succeeded in convincing Gennadi Burbulis, who was then the State Secretary before the State Committee of Emergency in 1991, the republics' claims for their special status were perfectly legal.<sup>181</sup>

This idea emerges from time to time at celebration of anniversaries, as well as in the process of various discussions. Thus, the anniversary sessions at a governmental level were held in the republic in August 1995 in connection with the five years' anniversary of adoption of the State Sovereignty Manifest. In the statement of the chairman of the Tatarstan State Council V. Likhachov, the last five years' period was regarded as finalizing the reestablishment of historical justice. This period was assessed as a new stage of the statehood building.<sup>182</sup> One could notice, that the period of struggle for statehood in 1991 was particularly accentuated. It was when Tatarstan was supposed to sign the Union Treaty along with the union republics, and it could mean equalizing its status.

In connection with the anniversary of the Sovereignty Manifest, the newspaper "Respublika Tatarstan" published the article by the academician of the Russian and Tatarstan Academies of Sciences M. Makhmutov «Eurasia - New Union?». <sup>183</sup> It is known, that the idea Euroasianity was debated in the Russian Federation using different approaches. It was already after statements of A. Solzhenitsyn about the idea of gubernizatsiya and the declaration of A. Rutskoi "it is the Empire Russia and not Eurasia that we need". The draft of "Eurasia" with the following composition was debated in Kazan: the Slavs (Russians, Ukrainians and Byelorussians) and the Turks (the Tatars, Kazakhs, Uzbeks, Bashkirs, Chuvashs etc.). M. Makhmutov, generalizing opinions of the representatives of the Kazan elite, supported the following principles of possible unification: balance of interests of Russia and

<sup>181</sup> «Kazanskiye Vedomosti», August 30, 1995z.

<sup>182</sup> I. Tagirov. *Tatarstan model started with the declaration; We have learnt to speak with the dragon (interview with R. Khakimov)*. // «Kazanskiye Vedomosti», August 30 1995, p.4.

<sup>183</sup> «Respublika Tatarstan», 26 August 1995.; «Izvestiya Tatarstana», 1 September 1995.

other participants of the Union, and both voluntary and asymmetric union of the states and peoples.

Back in 1998, when a question on the united state of Russia and Byelorussia started to be discussed, M. Shaymiyev in his capacity of President of the republic reminded that Tatarstan was claiming for the status of a union republic.<sup>184</sup>

The ideologists in Tuva also had historical arguments for the asymmetry of Federation. In the interview, taken by me in 1994, the counselor of the President of Republic V.B. Bagai-Ool said: "At the given stage we accept the federal relations. We do not claim the same level of relations, as those with Tatarstan - economically it is unrealistic for us. But the largest mistake of the Russian government is that it cannot understand, that it is necessary to apply a different approach to each republic. It is possible to maintain the confederate relations with some republics... Tuva, basically, can pass on to the confederate relations in a remote prospect too. What arguments do I have? First of all, the historical ones (Tuva joined the USSR in 1944 г – L.D.), and also its being situated on the frontier. There are still some people alive who lived in the independent state... The federal-confederative relations strongly bind the states" (He gave an example of Switzerland). "We will inevitably come to these relations, - said Bagai-Ool, - the only question is time".<sup>185</sup>

Tuva was preparing the draft of the treaty «On distribution of authorities between public bodies of Russian Federation and power bodies of Republic Tyva», but the commission on preparation of the agreements by the President of Russian Federation did not sign this agreement. It proposed the demands to bring the provisions of the Constitution of republic into line with the Constitution of Russian Federation first of all in the question on the withdrawal from the federation (the commission demanded to cancel this provision), in the questions of the republic's priority in the use of resources, of the property, of giving the status of the state language both to Russian and Tuva.

On February 17 1998 the State Duma held the round table "the Constitutional process in Russia: federal and regional aspects" under the presidency of G.P. Seleznyov, the chairman of the Duma. The questions of the coordination of the federal legislation and legislations of the entities of Federation were discussed at the session. The President of Tuva S.D. Oorzhak

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<sup>184</sup> M. Shaymiyev's address on the ORT TV channel 28 December 1998.

<sup>185</sup> *The elite of the Republics of Russian Federation speaking*//110 interviews of Leokadiya Drobijeva. M., 1996, p. 241-242.

represented Tuva at the session. Answering a direct question of G.P. Seleznyov about bringing the Constitution of Tuva into line with that of Russia S.D. Oorzhak said that the question was not a simple one, and that the government of the republic should take into consideration that the constitution of the republic, where the provision about withdrawal was stated, was adopted after the national referendum and the President could not recede from it now: the conciliation procedures were necessary.

R.S. Khakimov, the representative from Tatarstan on this meeting, said, that, if the center wanted the changes in the constitutions of republics, it was necessary for it to make concessions and to introduce amendments to the Russian Constitution, which should take into consideration a number of provisions stated in the constitutions of republics. Answering this remark, the member of the Constitutional court Gadzhiev said, that it was not the right time to discuss it.<sup>186</sup>

At the same time there were parliamentary hearings in the State Duma (also February 17, 1998) organized by the Committee on affairs of nationalities – “Republics in the structure of Russian Federation: the legal status and prospects of development». In the report of the vice-president of the Committee R.N. Sultanov (the deputy from Bashkortostan) on this subject the republics were called “sovereign national-state formations, a form of self-identification of the peoples in the structure of Russian Federation“. The agreements on distribution of authorities between the state power of Russian Federation and authorities of the republics were considered a consensus way promoting the unity of Russian Federation. It was said that the provisions of the Federative Agreement remained in act.

In the discussion at the parliamentary hearings V.N. Lysenko tried to vindicate the idea “of the frame laws“, identical for all subjects of Federation. The representatives from republics, including R.S.Khakimov (from Tatarstan), said that they were not at all against equalizing the position of territories (krays) and oblasts with that of the republics, on the contrary, they were all for it. What they could not agree with was that it was necessary to lower the limit of those rights, which were received by republics during the process of reaching agreements. For a number of republics it was “the result of development of history“, and the agreements had the function of an original «constitutional assembly». Due to them it was possible “to maintain the political stability and relative order in the country”.<sup>187</sup>

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<sup>186</sup> *Quoted by the notes, as the author participated in this round table.*

<sup>187</sup> *Discussions on parliamentary hearings (notes by the author).*

The fact that the Recommendations accepted at the parliamentary hearings, stated that “the reformation of federal relations is carried out within the framework of the acting Constitution of Russian Federation, Federal agreement and agreements about distribution of authorities between the federal central government and the authorities of the federal entities, and of the Concept of state national policy of Russian Federation... The principle “do not harm “ must stay unchanged, considering a full account of the history of the peoples of Russia»<sup>188</sup> (italics by the author – L.D.).

The leaders of republics considered a number of the provisions in the Constitution of Russia to be a legal ground for the asymmetry of Federation. Having proclaimed equality of the entities of Federation, the Constitution (Article 5) at the same time states the different status of republics and other entities of Federation: the republics are named the states (in the brackets), they have their constitutions, citizenship and other attributes of statehood; other entities of Federation have the regulations and attributes of administrative territories. In addition, the Constitution permits the form of the relations fixed by agreements. The Clause 3 of Article 11 states, that the differentiation of powers and authorities between public authorities of Russian Federation and entities of Federation is realized «by the Constitution, Federal and other agreements about differentiation of powers and authorities».

As it was explained by S.M.Shakhray, even though it concerns only those republics, which have not signed the Federal agreement, i.e. Tatarstan, the Chechen Republic, and Bashkortostan, which signed it on certain conditions, the presence in the state of such federal entities with different authorities demonstrates the legal bases of the asymmetry of Federation. Moreover, several agreements have already been concluded on the basis of Article 72 of the Constitution and the agreements, and it all certainly means the expansion of asymmetry. But this “cannot be regarded from the negative point of view”, according to the opinions of the ethnic elites of the republics.<sup>189</sup> “The Policy of the center in the respect to the entities should be flexible and taking into account the political realia“.<sup>190</sup>

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<sup>188</sup> *Recommendations of parliamentary hearings of the State Duma on the subjects of «Republics in the structure of Russian Federation: legal status and development prospects» 17 February 1998, p.1.*

<sup>189</sup> *R.S.Khakimov. On the fundamentals of asymmetry ..., p.43.*

<sup>190</sup> *For successive democratization and federalization of Russia.//«Panorama-Forum». 1995, № 1, p. 5.*

In 1995 the presidents of three large, and richer in resources republics: Tatarstan – M. Shaymiyev, Bashkortostan – M. Rakhimov and Saha (Yakutia) – M. Nikolayev addressed the President of Russian Federation B.N. Eltsin. Their address said that a number of politicians “impose the idea of Russia as a Russian, orthodox state, in which other peoples exist ostensibly on the rights of ethnic minorities... They also raise a question about «gubernizatsiya» of Russia”. The presidents directed Eltsin’s attention to the fact that “the majority of ethnos were indigenous peoples of Russia living on their historical land, and many of them used to have their statehood for centuries up to when they were conquered or joined Russia... Today to break the status quo means to cause a general destabilization of Russia “. “It would be a big mistake to approach this question mechanically and to attempt to unify the entities of Federation”.<sup>191</sup>

The leaders also referred to the human rights to support the legal bases of the status of republics. They consider that the human right and the rights of peoples are inseparable. The rights of peoples, which are at the same time the part of the human rights, include the right for the representatives of certain ethnic groups to speak and study in their native language and the right to have access to their own culture.<sup>192</sup>

There are strong debates among the scientists and politicians in Russia concerning the rights of peoples. Not everyone wants to recognize the peoples as the subject of law; he or she considers that the human right is above the right of peoples. The elite represented by the ideologists of power gave wide substantiations of interconnection of the human and people’s rights. R.S. Khakimov (the literary pseudonym Rafael Khakim) wrote: “It is impossible to separate national from “human“ in a man. The individual is the bearer of historical traditions; he becomes a personality through language and education. Therefore human rights include, first of all, the right to speak in the native language, to develop the culture, to have the means for existence etc.” He proved, that it was impossible to distract from the ethnic belonging and to reside in the area «of the pure» human rights. As an argument he quoted the International Charter of the human rights, which consists of three documents: «The General Declaration of human rights», «Covenant on Civil and Political rights», «Covenant on the economic, social and cultural rights». The first document defines the individual rights, and the other two concern the rights of a people.<sup>193</sup>

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<sup>191</sup> *Ibidem*, pp. 3, 4, 5.

<sup>192</sup> *Ibidem*, p.4.

<sup>193</sup> R. Khakim. *The dawn of the Empire. Kazan. 1993, p.40, 43.*

The article 1 of the above-mentioned «Covenants» says:

«1. All peoples have the right to self-identification. By virtue of this right they freely establish their political status and freely provide their economic, social and cultural development.

2. All peoples can freely use the natural resources for achievement of their goals without any damage to obligations of the international economic cooperation, founded upon the principle of mutual advantage, and international law. No people can be deprived of the means of existence belonging to it.

3. According to the provisions of the Charter of the United Nations, all states, participating in the given Pact, including those that bear responsibility for government of the supervised and non self-governed territories, should encourage the enforcement of the self-identification right and respect this right».

The ideologists in republics knew, that there were debates on the question on the right of the peoples to self-identification, and one of the main opponents was the director of Institute of Ethnology and Anthropology of Russian Academy of Sciences V.A. Tishkov. In the dialogue with the leaders of republics, including the dialogue with the Tatar ideologists, he put forward the argument, attributing the principle of self-identification to the period of decolonization. Taking this into account, the «Panorama – forum» magazine, which is widely read by intelligentsia in Tatarstan and is known in other regions of Russian Federation and abroad, published a large article by Horst Hannum "Re-interpreting self-identification".<sup>194</sup> It used the conclusions of another book of this author titled "Autonomy, sovereignty and self-identification: coordination of inconsistent rights (1990)"<sup>195</sup>, demonstrated the history of discussions of this principle in the international practice, and presented the evidence of how this principle was used in the real historical situation.

In the same magazine, there are publications about the international experience of federal functioning in the states of the world, which is an original legal ground for the Tatarstan practice. The conclusion of the magazine's editor-in-chief R. Khakimov is as follows: «... The global practice shows, that asymmetry in its various forms is met nearly in all federations».<sup>196</sup>

At the same time, international experience is far from being able to consistently confirm the efficiency of ethnic-national principle of administrative -

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<sup>194</sup> 8 out of 20 members of the editing board are scientists from the scientific centres of the USA, Germany, France, Great Britain, Estonia.

<sup>195</sup> «Panorama -Forum». 1995. №3.

<sup>196</sup> «Panorama -Forum». 1995, №2, p.2.

territorial division. For example, participants of discussions - the experts in federalism from Germany - have been permanently saying that, as, for example, did Professor I. Traut - deputy director of Institute of federalism of Germany at the conference "Federalism - global and Russian measurements"<sup>197</sup> in 1993. In June 1997 at the seminar «Social and political aspects of federalism: the pattern of Tatarstan» the leading research counselor of the Frankfurt institute of problems of peace and conflict prevention H.I. Spanger spoke about the advantages of German experience of construction of the territorial Federation.<sup>198</sup> Nevertheless, the Tatar ideologists always found, as we have shown above, historical and political-legal arguments to protect ethnic-national principle in the federative structure of the Russian state and existing asymmetry on the basis of the process stated in agreements.

The Tatarstan ideology of elites and the political-legal practice most obviously demonstrate «sub-nationalism» in classification by Egbert Young. I defined it as a version of nationalisms inside Russia in my book «Democratization and images of nationalism in the Russian Federation of the 90-es» (M., 1996). I defined it as parity nationalism - nationalism directed towards the greatest possible independence with transfer of some functions to the federal centre and declaring cultural pluralism.

Not all Russian republics had historical and normative-legal arguments for protection "of their special rights" or their own example of a well-supported asymmetric federation. Then there joined social-economic and cultural arguments. A typical example of this is the situation in Saha (Yakutia). This republic has signed the Federal agreement without stating the special conditions, as Bashkortostan did. But among the Saha elite it is well-known (we were told about it by the deputy of the parliament U.A. Vinokurov in his interview in 1994), that the President of the Republic M.E. Nikolayev signed the Federal agreement only after he had received the consent from B. Eltsin that the profit from 20% of extracted diamonds would remain in the republic. The agreement on it was signed 15-30 minutes prior to official signing of the Federal agreement, according to the memories of participants.

The constitution of Saha (Yakutia) states the republic as a sovereign state included into the structure of Russian Federation on the basis of the

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<sup>197</sup> *Federalism: global and Russian measurements. Kazan. 1993, p. 26.*

<sup>198</sup> *R.Yu.Belyakov. Federalism in international and Russian measurements (notes from the workshop social-political aspects of Federalism: Tatarstan model). // «Information-methods bulletin №12 of the Administrative Machinery of the President of Republic of Tatarstan». December 1997, Kazan, p.65.*

Federal agreement (and according to it the republics reserved the right to withdraw according to the procedure established by the agreement). And, as it was already said, according to the republic's Constitution it possesses the priority right to use the natural resources. The treaty about distribution of authorities between the state bodies of Russian Federation and the state bodies of the republic and the agreements gave the republic more rights in the economic sphere, than it had been provided by the Constitution of Russian Federation.

Such asymmetry is proved by the Yakut elite «by the right of the population on their territories and use of their resources»; the right of the native born peoples for resources “of their motherland”, which is much more than the right on land, self-government under the common law.<sup>199</sup> The qualitative features of natural, climatic conditions, and hence the historical traditions of the peoples living on the territory of this northern area, served as a basis for independent regulation of the problems of social and economic development, including “the questions of property, management forms”, standards of tax, price and investment policy.<sup>200</sup>

The global tendencies in expansion of regional independence served as the argument towards the solution of social and economic problems in republics.

Accentuating the independence in the economic sphere gave us the basis to speak about economic nationalism with reference to Saha (Yakutia), and to a certain extent to Bashkortostan. Though the struggle for independence in the use of resources and in the sphere of economic policy (in the eyes of the central government it is frequently considered a struggle for privileges) was dominant in relations with the central government in other republics and areas as well. Most of all these demands were put forward by the self-sufficient entities of Federation (or entities - donors). It is perfectly clear, since the industrial potential of Tatarstan, for example, in the times of the USSR was equal to the potential of three Baltic union republics taken together. Speaking on the international conference “Prevention of lethal conflicts: strategy and institutes”, organized by the Commission of the prevention of lethal conflicts of Carnegie Foundation in Moscow in August 15, 1996, M. Shaymiyev said: «In the formed conditions Tatarstan requires the right of independent development», but at the same time it (Tatarstan) would not break the integrity of Russian Federation.<sup>201</sup>

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<sup>199</sup> *The entry of M.Nikolayev.//«Respublika Saha». 4 July 1995.*

<sup>200</sup> *Ibidem.*

<sup>201</sup> *M.Shaymiyev. The importance of Tatarstan experience for conflicts preventing and settling.//«Panorama-Forum», 1997, № 1, p. 4.*

The tendency of struggle for economic independence amplified on the part of all entities of Federation in conditions of the crisis after August 17, 1998. In the new situation the necessity to help people survive and to keep the working capacity of industry and agriculture was the basis for strengthening the independence.

The protection of asymmetric federation by republics is connected with the understanding of their elites and most part of population of what the sovereignty of republics is. The republics have adopted the Sovereignty Manifests, and the majority of the Constitutions of republics and the Federal agreement include this provision, while the Russian Constitution of 1993 does not. However, there is a statement (in brackets), that the republics are states. According to the logic of the leaders of republics: there can be no states without sovereignty. This means, we can speak only about the divided sovereignty. The researchers can keep arguing on this question, but the reality is that each republic celebrates the days of announcing the sovereignty. In many cases the presidents or the speakers of parliaments make speeches mentioning sovereignty, and usually summarize what the sovereignty has brought with it. If at the central government many politicians and the scientists speak about “the so-called sovereignty“ frequently in a negative meaning, in republics they officially speak about sovereignty as an achievement.<sup>202</sup> The announcement of sovereignty and subsequent development of the state on the basis of the federal relations is perceived as a manifestation of democratization. Without the democratization, which began in the time of Gorbachev, announcements of the sovereignty and the realization of independence on the basis of the legal documents of Russia could not happen.

The democracy does not always solve ethnic-national problems or secure interests of the peoples. Examples of Northern Ireland, the events in Quebec and the Country of Basques convincingly prove it. But it is also obvious, that without the general democratization in the country, self-identification of the peoples, manifestation of declarations of intent and expansion of independence are impossible as well.

Sociologists study the social reality. In modern constructive paradigm we use the approach, which is obvious enough: if the people define a situation as being real, it is real in its consequences. It is on the basis of such approach that we analyze the idea of elite and mass public opinion in the given text.

Much was clarified and understood by politicians in republics during the 90s. The experience of the Chechen crisis, difficulty of realization of econom-

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<sup>202</sup> «Respublika Saha», 29 September 1995; «Respublika Tatarstan», 30 August 1995; «Kazanskiye Vedomosti», 30 August 1995 etc.

ic reforms have taught us a great deal. The authoritative President of Tatarstan M. Shaymiyev has expressed the result of his reflections frankly enough: «Unitarity is not appropriate for Russia in the conditions of democracy. This country cannot be similar to any other country by its state structure. It is a federation and today, under a close look, it still is the asymmetric federation.

What am I worried about? Yes, we are experiencing the transition period. It seems that at present Russian authorities are satisfied with both the concept of asymmetric federation, and the authorities, which are mutually delegated in the agreements. But when political and economic situations stabilize, and I do not think myself to be naive, this question will be fully raised by different political forces. They will require creating a democratic, but homogeneous federation. And one should be ready for that; it is reality of life... But for this purpose it is necessary for Russia to have a very well-balanced national policy... Today the interests of peoples are not taken into consideration and their rights are not guaranteed either by the Constitution of Russia, or by the structure of representative authorities, by the State Duma, or in the Council of Federation... Even if all national formations will vote together, it will be only 25% of votes. They are deprived of right to solve their own questions. Those politicians, who think, that everything is going to go well, are deeply wrong. I will be the first to raise this question. But, I think, the time has not come yet.... One should not abuse his influence and influence of the heads of other republics, when the balance in the society is so fragile.... We should start from the well being of all peoples. Now it is necessary to help Russia, you see it is experiencing hardships.

It already became clear, that the democratic society is easy to be declared, but to build and to administer it is much more difficult. But the choice has been made, and it is a historical choice... We, politicians, should be responsible, should understand, judging by the history, what Russia consists of and, taking the realia into consideration, calmly aspire for the solution and protection of the common rights of the people. Only in this way is it possible to build a democratic Russian Federation».<sup>203</sup>

It would be naturally possible to speak confidently about a possibility of influence of the republics' power structures on a general situation in Russia, development of federation and interethnic relations, only in the case that their positions are supported by the majority of the population in republics.

Practically all presidents came to power (and some have retained their power) due to the raising of national movements or national feelings. But they

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<sup>203</sup> M.Shaymiyev. *The importance of Tatarstan experience ...*, pp.7-8.

and their surrounding could remain powerful only under the condition, if the population would feel any advantages from the sovereignty and agreements with the central government, if there was found a balance of political forces in the republic and the interethnic consent was provided. Let's remind to the reader, that all republics, whose status features constituted asymmetry of federation, had a multi-ethnic population: in Saha (Yakutia) the Saha constitute 44 % according to the last estimations, the Tatars in Tatarstan (also by estimations) - 49-51 %, The Tuvians in Tuva - 69 %, the Bashkirs in Bashkortostan - 21 %, the Karels and Finns in Kareliya, which was accused of «the budgetary separatism» too, - 13 % (by estimations). In Russian Federation, only in 7 of 21 republics the majority was constituted by the indigenous ethnoses.

Two basic circumstances helped the leaders and ethnic elites to retain stability in republics. First - they managed to use advantages «of budgetary independence» in the period, when the central government was not stable and the executive authority was interested in their support. Second - they took into consideration the experience of allied republics and did not drive up to outmost state of confrontation the legislation that touched the interests of ethnic groups. As it was said already, they adopted their constitutions on behalf of the peoples or «of the multinational people» of republics, and two languages became the state languages: language of an indigenous nationality and Russian. In Bashkortostan, where the interests of three communities collide: the Bashkirs, the Tatars and the Russians, - the law on two state languages - Russian and Bashkir – still causes hot debates.

In the beginning of the 90-es the governments of Tatarstan, Saha (Yakutia), Bashkortostan, Chechnya and Kareliya took advantage of the situation and introduced a single-channel system of tax collecting and transfer to the federal budget. In 1992 and 1993 the first two republics simply did not transfer their taxes to the federal budget. In 1994 in connection with the special rights and conditions Saha (Yakutia), according to the data of the Committee of State Duma on the budget, taxes, banks and finance, did not transfer anything from the collected taxes to the federal budget. (As far as we know, the republic justified this by the fact that the central government did not transfer to the republic the means on so-called «northern delivery» in time, and it is possible to transport food products and other goods necessary for life in the northern conditions only in summer). In that year Tatarstan transferred 16 % of all collected taxes, Bashkortostan - 12 %, Kareliya - 5 %.

In 1995, according to the same sources, Saha (Yakutia) transferred only 0,5 % from the collected taxes, Tatarstan - 22,7 %, Bashkortostan - 26,2 %. In 1996

the last two republics transferred 18,9 and 27,0 % accordingly. (For comparison: Moscow transferred 45,6 % of the collected taxes. Sverdlovsk oblast - 43,1 %, Nizhniy Novgorod oblast- 48,1 %).<sup>204</sup> Practically all entities of Federation sent to the Federal treasury the excises on oil, petrochemicals and gas in complete volume. Tatarstan and Bashkortostan retained them in republic. Saha (Yakutia) received in 1995, according to the data by A.N. Arinin, 1 billion US dollars directly and 300 million dollars indirectly out of 1,3 billion US dollars gained by the company «Diamonds of Russia - Saha». And, besides, Saha (Yakutia) received the interest-free credit of 2 billion US dollars from the federal budget.

Tatarstan and Saha (Yakutia) have ideologically proved, that they will not conduct «shock therapy» and use in this respect those rights, which they have by the agreements. Bashkortostan has softened «shock therapy», not declaring «the special ways» in reforms. But the result in both republics was identical: the population felt, that it lived slightly better, than in the rest of Russia. In Saha (Yakutia) the teachers received surcharge to their salaries from presidential fund, the researchers were subsidized to go to other regions of the country and abroad to defend their the dissertations, the students were given subsidies to go to the USA and European countries to receive higher education. Those working in research organizations subordinate to the republic had higher wages, than those who worked in the affiliates of the central institutes. A modern medical center and a huge stadium were constructed in Yakutsk. But, as was found out by 1997, not all means left in the republic were spent rationally. In Saha (Yakutia) there are areas, where the salaries were not paid for many months, the transport network practically was not improved. But at the same time in cities of the republic people felt that life had changed for the better, and that, as we shall show, influenced their attitude to the sovereignty of the republic.

In Tatarstan till August, 1998 the population lived better, than in many other areas of the country. In 1995 this republic had one of the highest standards of living.<sup>205</sup> The recession of industrial production, except for the military-industrial complex (it is of the Russian subordination) was not so noticeable, as in other areas of the country. The agriculture gave production, sufficient to provide for the population of the republic and even to sell in

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<sup>205</sup> *Russian regions: financial aspects of development. M., 1997, V. 1, p. 470-471, V. 2, p. 522.*

<sup>204</sup> *A.N. Arinin. Questions of the development of Russian statehood in the end of the XX century. //Federalism of power... p. 61. The author used the data of the State Duma Committee on the budget, taxes, banks and finances.*

other regions. And the population appreciated it. By the beginning of 1995 only slightly more than 1/5 population perceived the situation in economy as unsatisfactory. Then, in 1996 and 1997 it was viewed as such already by 35-41,5 %. But the stability in the republic was maintained on the account of the fact that the Tatars and the Russians living side by side gave basically the same evaluation of their financial condition.

As far as the internal political situation goes, the position of the rebublican government was viewed as a centrist one: the Tatars were sure, that it would assert the interests of the Tatars, the Russians knew, that there would be no connivance on the part of government to radical - nationalist elements.

The level of support of actions of the President was high enough practically during all the 90s. According to the data of the Tatarstan sociologists conducting polls in August of 1991, the idea of raise of the status of Tatarstan up to the level of the union republic was supported by 66% of the interrogated people: 75,3% of the Tatars and 59,3% of the Russians; 12,6 % were against.<sup>206</sup>

By results of our polls in the summer of 1994, the level of support of signing the agreement between public authorities of Russian Federation and Tatarstan was rather high (60% of the Tatars and 70% of the Russians). By the data of the Tatar sociologists, in nine months after signing the Agreement more than 70% of the interrogated positively evaluated the political situation in the republic, while in 1991 more than half of population felt the situation was unstable or tense.<sup>207</sup>

In 1994 the public polls conducted by us among urban and the rural population of the indigenous and Russian nationality (a sample of 1000 men on each republic represented ethnic groups) in Saha (Yakutia), Tatarstan, Tuva, Northern Osetiya-Alaniya showed that the indigenous nationalities trusted their republican power, much more than the federal one. Among the city population, almost 40% trusted the republican power, and among the rural one: in Saha (Yakutia) and Tatarstan - more than 50 %, in Northern Osetiya-Alaniya and Tuva - practically 40 %, taking into consideration that among the townspeople more 2-4 %, and peasants - 5 % in Tatarstan, 16,5 % in Saha (Yakutia), 9,5 % in Northern Osetiya-Alaniya and 24,8 % in Tuva trusted the all-Russian power (everywhere, certainly, the percentage of the respondents who did not

<sup>206</sup> F.K. Mukhametshin, G.A. Isayev. *Republic of Tatarstan in the public opinion mirror Kazan, 1998, p. 54. The poll was conducted by the sociological group of the Supreme Council in 1991-1994 and the Machinery of the Tatarstan Cabinet of Ministers in 1995-1998. Representative selection 2400-2500 people.*

<sup>207</sup> *Ibidem, p. 60, 81.*

trust either power was high - from 16 up to 36 %, and the percentage of those who equally trusted both powers is absolutely low).

Though in the rural areas of the republics, showing independence more than any other republics, - Tatarstan and Saha (Yakutia) - the population supported the republican authorities even more, than the townspeople, the opinion of the urban population was more important for the characteristic and forecasting of all internal political situation in republics. At the same time while interpreting the data, it is important to take into consideration, that the majority of the population of the peoples giving the name to republics, lives in the country, but the connection of the townspeople and rural dwellers is closer, than that of the Russians. According to the data of our public polls, from half up to two thirds of townspeople keep connections with their relatives, neighbors and fellowmen. In the interview with the experts and the elite of the republics, the idea of importance of connections with village sounded more than once. (For example, F. Bayramova - leader of radical - nationalist party «Ittifak» in Tatarstan directly expressed reliance, that at the elections to the State Council of the republic in 1995 she expected to receive the votes of her village compatriots). The opinion of the townspeople certainly influences the behavior of the rural dwellers. Thus townspeople are more demanding in respect of the republican authorities and consequently are often more critical. It explains, probably, the fact, that, answering the question of whom you would rely upon more in the protection of people's interests, 23% among urban Tatars named the authorities of the republic in 1994.

It is remarkable, that among the Russian townspeople in Tatarstan the same number - 23% - expected the republican authorities to protect their ethnic-national interests and nearly trusted the republican authority more, than the central one.

In other republics the share of the Russians, trusting the republican authority, varied from 19% in Saha (Yakutia) to 9-11% in Tuva and Northern Osetiya-Alaniya. And the trust to the Russian authority on the part of the Russian townspeople was small too (11-15 %), and in protection of their ethnic-national interests 14-29 % relied on the Russian government.

The public polls conducted in 1999 among the population sample, similar to that of 1994, showed, that the population of republics relied on the republican power by 2-3 times more, than on that of Russia in protection of their interests.

Among the leaders of Tatarstan and Saha (Yakutia), the most support was granted to the presidents of republics M. Shaymiyen and M. Nikolayev up till the end of the 90s. They were supported due to their policy in the

relations with federal government, as well as their internal republican policy, including the issue of interethnic relations. On the presidential elections of 1991 M. Shaymiyev received 91% and in 1996 - 97% of the votes (in 2001 - 76%, and M. Nikolayev - more than 60% (1996).

According to the data of sociological group of the Ministers Cabinet of Republic of Tatarstan in 1998 (March), a positive evaluation of the presidential activity was given by 82% of respondents, a negative one (including those who were hesitating to give an estimation) - 18%. In Kazan this ratio was 77 to 23, in cities of republic - 83 to 17, in villages - 84 to 16.<sup>208</sup>

We are quoting the data given by this sociological group, headed by U.F. Isayev, because all its estimations and the forecasts were correct, and the results of our public polls of 1994, 1997, 1998, and 1999 usually coincided on similar questions.

It is absolutely evident, that at such a high level of trust the president enjoys the support by all social layers, however according to the data of both G.A. Isayev group in 1997, and our data of the polls of 1994 and 1997, the greatest support was expressed by the businessmen, technical officers, students, pensioners, while a more critical attitude was characteristic of humanitarian intelligentsia and low-skill workers (workers of hard physical work at the enterprises). According to the age rankings the percentage of support was higher among the youth and people over 50.

In Saha (Yakutia) more trust was granted to the republican authority by people of older generations, and as far as the social groups go - by managers, businessmen, experts, students, and slightly higher was the percentage of trust by low-skill workers of physical labor. The technical engineers and qualified employees of physical labor in industry were more critical in Saha (Yakutia). It is most likely, that it was connected with the decrease of production at the mining enterprises and in other branches, as well as with the fact that there were more Russians there. The majority of them supported the president Nikolaev, but on the whole the level of their demands was high, they were used to the high wages and northern privileges (extra charge to pension, holiday) in the Soviet time, while in the post-Perestroika period they lost a great deal. And the projection of this grievance falls upon the republican government.

But, if in Tatarstan and Saha (Yakutia) or Kareliya the population has obviously gained something from the sovereignty in the economic sense, in Tuva it was hardly felt at all. Therefore the Tuvinians supported the government of the republic basically because of the feeling of the returned dignity,

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<sup>208</sup> *Ibidem*, p. 169.

which, undoubtedly, grew up during the adoption of the documents about their sovereignty. At the same time the Russians lost both in moral, and in the material aspects because of the fall of industrial production (where they dominated), and because of their being dismissed from the administrative positions. Those were the causes of the lowest level of support by the Russians of the republican government, and essentially the low rating of the latter among the experts and executive employees.

In the age groups in Tuva, the most support for republican government was given among the senior generation of the Tuvinians (over 50), while the youth, on the contrary, was more critical. Among the Russians, such support was small in all age groups (5-12% trusted the republican authorities more and 10-17% both the republican, and the Russian). The level of mistrust to all authorities here was the highest of all the republics, where we did our research (34-37% on age groups).

Naturally, the government of the republics could actively pursue the policy of struggle for expansion of independence, feeling the public opinion support.

The results of mass interviewing of the population in Tatarstan, Saha (Yakutia), Tuva and Northern Osetiya-Alaniya make it possible to understand, to what extent the ideas of greater independence are shared in the public opinion.

In 1994 according to the results of our questionnaire, the idea of complete sovereignty (as it was explained then in republics, it was not necessary to secede, it was important to have this right to secede) was shared by up to one fifth of the representatives of indigenous ethnoses. To the greatest extent this idea was supported by the Tatars;<sup>209</sup> to a lesser extent by the Tuvians and the Saha.

Let us pay attention to the fact that the peoples put different meaning into the same demand. For the Tatars, as we can judge by the results of interviews, including by those with the leaders, the right of withdrawal is for the supporters of «Ittifak» secession, but there are very few of them (this association was supported only by 1-2% even during the uprising of national feelings), and for the majority this demand means, that they can choose their status in Russian Federation freely and voluntarily.

For the Osetins «the right of withdrawal» – as it was then – in the beginning of the 90-es, – was rather the possible means of pressure on the Russian government in the solution of territorial disputes with Georgia and Ingushetia. It is not by chance that in the adopted Constitution of Northern Osetiya-Alaniya there is no provision either of sovereignty of the republic, or of the right of withdrawal.

<sup>209</sup> The data were repetitive: 21% in 1994z., 21% in 1997 and 17% in 1999 (among urban dwellers).

The other thing is the divided sovereignty – S.M. Shakhrai calls it «distributed». The theory of a dual federalism finds its expression in it. The constitution of Russian Federation has fixed joint authorities of the Federation and the entities; considering the practice of the federal relations in Russian Federation from this point of view, one can speak about cooperative federalism as well.

The divided sovereignty (inside the Russian Federation) was supported by a considerably broader sample of population. Among the Tatars (urban) it was supported by 43% (taking into consideration then there was 21% for the complete sovereignty) in 1994, and 55 % in 1997, 54 %, in 1999, among the Saha - 64% in 1994 and 70% in 1997, 59% in 1999, among the Osetins it was supported by more than 60% in the 90s and among the Tuvinians- more than 40%.

It should also be noted, that it is first of all the independence within the structure of Russian Federation to freely utilize the natural resources that is also supported by the Russians. More than 40% of the Russians in Tatarstan shared this opinion in 1994 and in 1999, and on such basis we can speak about formation of ethnic regionalism in a number of places.

Analyzing a social base of those supporting the idea of relative independence, we see, that the number of those who generally spoke for the divided sovereignty of republics, is rather big. It is more than just the share of the elite layers in those groups, who work out the decisions or influence their implementation. It is more, than the share of intelligentsia as a whole.

Thus, the conclusion that the ideas of the sovereignty are shared only by intelligentsia or by only that its part, which are now called «the ethnic businessmen», should be updated. The elite bears responsibility for what and in what form these ideas are developed and realized. But it absolutely clear, that if such ideas did not reflect vital interests of a wide enough sample of population, it would be impossible to mobilize mass public opinion around them.

Thus, the ideas of sovereignty not in their extreme secession form, but as either a real federalism or one with the elements of confederative structure were shared by more than half of indigenous peoples and slightly more than 40% the of Russian population. The political elite in these republics had a considerable base of support.

Socially this base is differentiated: on the question of possible secession between intelligentsia and workers of physical labor of the indigenous nationality the discrepancy achieves approximately 1/4 in Tatarstan and 1/2, 1/3 in other republics. The intelligentsia is often inclined more radically. And the discrepancy between the viewpoints of intelligentsia and qualified workers is very small when talking about the problem of recourses use.

Disagreement of interests concerning the status of republics (a republic; a sovereign republic in the composition of Russian Federation; an independent state) takes place in all social groups, but it is more noticeable among professionals. For example, in 1997 50% of the Russian professionals would like to see Tatarstan as a republic included in the Russian Federation and 44% - as a sovereign republic in the Russian Federation, and among the Tatar experts 65% were for the sovereign republic and 16% - for republic within Russian Federation; the workers had more coordinated orientations: 46% of the Russians and 51% of the Tatars would like Tatarstan to be a sovereign republic included in the Russian Federation.

In the age groups, the greatest interests disagreement in Tatarstan is observed among seniors, since the Russians largely would prefer the former position of the republic, and the Tatars would vote for the sovereignty within the Russian Federation. In Saha (Yakutia) the disagreement is great in all age groups.

Very essential to the sociologists, political scientists and ethnologists is the following question: how can it be explained that the people are stuck to these ideas, though the latter, certainly, vary and depend on the situation?

There were at least two causes in the bases of these ideas. The first is the psychological need for dignity, for the self-respect as people of the "status" nationality. Answering the question «What is important or not important for you personally to feel yourself equal or unequal?», in 1999 more than 90% of urban Tatars, who attributed themselves both to the middle and to the lowest layer marked the paragraph «Equal respect given to the dignity of each people».

This psychological need is mainly emotional – it is more a feeling, than readiness for rational action. The majority of the Tatars consider, that they should not suffer from «lowered life standards» (85%), «interethnic conflicts in the republic» (88 % of the middle class, 92 % of the lower), «war for independence» (89% in the middle class and 97% in the lower class) for the sake of sovereignty. No more than 20% consider, that «any means are good for protection of people». And the idea that «the rights of the people are above the personal rights» is shared by no more than one third of the Tatars (in cities).

Thus, we interpret the need for sovereignty as a psychological need in dignity and in sense of their own status equality.

The attitude to sovereignty is also connected with the certain social and economic interests. It is known, that usually such interests are represented as a struggle for resources. Really, in the post-Soviet space it was obvious, that the access to the power provides more favorable opportunities for possession and use of property. In Russia it was the case in the central government,

as well as in the federal entities. Let us address to the social and social-psychological aspect of the given problem.

Sociology always focuses attention on social hierarchy, people's behavior in it, and on people's understanding of their unequal chances for social self-assertion. Ethnic and ethnic-regional inequality is acutely sensed in the sphere of republican policies.

Deep interviews (and such interviews number not less than a hundred during each research session) and generalization of data received by means of focus – groups method, show, that in the republics, not only the Tatars or the Yakuts, the Osetins, the Tuvinians, but also the Russians quite often perceive the laws passed by the highest state bodies, decision of the federal government as the decisions taken without their participation.

There exists constant alertness in relation to the acts of will from Moscow, which is not taking into account interests of territories and the peoples. And, though the Russians can also suffer from these decisions, they are still perceived as the result of unequal participation of ethnic communities in the power. Typical examples of this are the stop in deliveries of fuel to Tatarstan during harvest because of the default of debt payment or delays in the so-called “northern delivery» to Saha (Yakutia). The similar actions are perceived by the inhabitants of republics as insulting their personal interests. It is because up to one third and more inhabitants of the republics consider, that «their life worsens with the time», and about half of them think that it became «in some respects better, and in some it is worse», and the latter estimations are observed less among the Russians, than among the Tatars and Yakuts. And it is not the case by chance, for the latter have felt the improvement even of psychological status through the real raise of independence of republics, and they are patient in their attitude to material difficulties.

As research results in Tatarstan show, among Russians and Tatars attributing themselves to the middle and the lower level, a share of those whose position has worsened, is higher on average among the Tatars, than among the Russians. Nevertheless, they talk about their life more with more optimism.

Financial situation in the republics is considered very low by the Tatars, the Yakuts and the Russians. More than half of them live so, that «there is enough money only for food», and one fifth are those who «constantly borrow money». Naturally, in such situation they are interested to have more resources remain in the regions. We can conventionally call it «the nationalism of insult and bitterness».

Thus, the social and economic interests lying on the basis of sovereignty ideas are not reduced to the interests of oligarchs and bureaucracy desiring greater access

to power. The people of both middle and lower social levels connect quite well-defined social and economic interests with the economic independence of republics.

A great deal depends on the actions of elites in contemporary conditions in the beginning of the XXI century, just as it was the case in the beginning of the 90s, at the moment of the national movements raising. The elite at power, which has undertaken the realization of sovereignty ideas and the raising of the republics status, now finds itself in a difficult situation. In practice, the presidents and governments face difficulties in reforming the economy, in weakness of financial possibilities for maintaining social guarantees to the population. Every day they feel the connection of the republics' economy with bank oligarchs and with industries of other federal territories. Therefore it is this elite, which in practice has to bear most responsibility for a dissonance in earlier declared slogans, promises and even laws, and the reality of the today's situation.

That elite, which not so long ago undertook the expression of the ethnic-national interests and acted with a nationalist discourse, has changed the declared ideas and slogans. During the last parliamentary elections in the republics, their deputy candidates marched now not with the ethnic-national but with the social demands of protection of population's economic interests and criticized their governments for inadequate democratization (or weak democracy).

As a result, there developed in the republics some weird coalitions of oppositional forces. After the elections to the State Council in 1995 in Tatarstan the oppositional forces had attempted to create "a round table" consisting of communists and «nationalists» (ideologists, who protect the rights of the greatest possible independence and stand for the priority of the Tatar language and culture). They lost the elections. There did not happen a strong unification on the basis of struggle with 'the governmental nomenclature' (as they called the imperious elite). The most faithful nationalists kept criticizing imperious elite for the agreement with Moscow, as a result of which «it will be more correct to define Tatarstan as a semi-state»;<sup>210</sup> accused both the presidential team and local authority of clientele voting pattern and of mainly personal leadership: people vote not for the parties and movements, but for the politicians claiming authorities. On what the President M. Shaymiyev noticed, «as they say, it is possible to place the members of these parties on a sofa».<sup>211</sup>

<sup>210</sup> D. Iskhakov. *Tatarstan model.* // «Panorama-Forum». 1995, № 1, p. 47-48. It goes about the definition introduced by R. Jackson for those countries, where there are no main preconditions for independent and permanent development. D. Iskhakov thinks the Russian Constitution, which together with the Tatarstan Constitution forms the basis of the Treaty on division of authorities signed 15 February 1994s, restricts the sovereignty of the republic.

<sup>211</sup> «Panorama-Forum», 1995. No 1, p.49.

Actually the electoral law in Tatarstan excludes the possibility of formation of representative bodies of power by the party lists. In the meanwhile, the electoral law of Russian Federation assumes voting by party lists.

There is a discrepancy of the Laws of Russian Federation and Tatarstan in formation of the local authority too. By the Russian legislation the heads of administration are elected by direct vote, by that of Tatarstan - the heads of local administrations are nominated by the president. They also became the parliament deputies, as they could influence elective moods of local population (by constructing a bridge, by laying gas, by supporting teachers, schools, - just in order to show, that the forces opposed to the president can only criticize, while it them who are doing the real business).

The paradox was, that the part of nationalist forces began to demand to bring the Constitution and the legislation of the republic in line with the all-Russian legislation. So in February 1998 in Kazan the united congress of Muslims was held, on which Gusman Iskhakov, who was loyal to the presidential authority, was elected a mufti. Oppositional forces of the “nationalists» understood, that they were losing possibilities to influence the devout Muslims on the eve of forthcoming parliamentary elections. Under their influence, the second Kurultai took place in November 1998, where the representatives of 30 out of 43 areas of Tatarstan were present. On Kurultai they accepted the address to the president of the republic and the speaker of the State Council, which mentioned the necessity to bring the Constitution of Republic of Tatarstan in accordance with the Constitution of Russian Federation. In that address, the republican government is being criticized for the fact, that the state sovereignty has brought the people “neither democracy, nor the social justice, and neither national, nor spiritual revival“ (notice, that “national” and “spiritual” are not mentioned in the first place any more – L.D.). The further it goes the more interesting it gets: «If the demands of the Kurultai are ignored by power structures, we reserve for ourselves the right to address to the Constitutional Court of Russian Federation with the purpose of restoration of the constitutional laws of the people of Tatarstan». The organization of social-political movement «Omet» («Hope») was proclaimed at the Kurultai, and the movement was headed by Gabdulla Hazrat Galiulla, whom the official authorities tried to set apart from the Muslim and national movements.<sup>212</sup>

Oppositional forces overestimated the critical mood of the population concerning activity of the president M. Shaymiyev. The public polls, con-

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<sup>212</sup> V.Postnova. *The hope of Tatarstan.*//«*Nezavisimaya Gazeta*», 23 December 1998.

ducted on the eve of these events in Tatarstan, showed, that 43% of the Tatars and 36% of the Russians evaluated the activity of M. Shaymiyev for the last two years as «good», 45% of the Tatars and 49% of the Russians – as “satisfactory”.<sup>213</sup> And the most important problems, which worried the citizens in 1997 (November), were: « non-payments, detention of the salary» - 64%, «rise in prices» - 50%, «crime» - 31%, “growth of unemployment” - 38%, “the course of economic reforms“ - 33%.<sup>214</sup> Despite all difficulties, 45% of the population consider, that economic reforms should be continued, 20,5% - that they should be ceased. As we see, the daily vital problems have essentially lowered the interest to the political questions in the civil society, and they were simply not mentioned among the important ones.

Last public polls in 1998-1999, conducted after the summer months crisis, showed, that for the obvious majority it was difficult to show preference to any political parties and social movements, or they did not prefer any (over 70% of answers among urban Tatars and Russians). Whether it will be possible for any oppositional forces to shake the position of the divided sovereignty of the republic officially fought for by the Tatarstan government, remained an open question.

The critical moods increased not only in Tatarstan, but also in other republics, which have gained from asymmetry of the Federation.

In Saha (Yakutia), the intellectuals' comprehension of sovereignty results in the end of 90s was influenced by two objective reasons and one subjective, situational factor. The objective reasons were the economic ones. Because of the difficulties of economic reforms in Russia as a whole, the center made its relations with the entities of Federation and especially with resource regions from the end of 90s more difficult. The visit of A.B.Chubais to Yakutsk took place in 1997 against the background of this general policy. During the meeting with the government, the management of the largest companies and corporations, a serious conversation about the course of reforms, about use of those means, which remained in the republic from production of diamonds and gold, and about the control of their use, took place.

I was in Yakutsk immediately after the visit of A.B. Chubais and interviewed the representatives of imperious and business elite. The majority was under the impression of these negotiations, but everybody had a different reaction. The

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<sup>213</sup> G.A.Isayev. *The attitude of the population of Tatarstan to the sovereignty of the republic.// Asymmetric federation: view from the central government, republics and regions. M., 1998, p. 80.*

<sup>214</sup> *Ibidem*, p. 85, 87.

president of the financial corporation «Sahaalmazproinvest» (SAPI) F.S. Tumusov said that the forms and mechanisms of control of the use of means, granted to republic, should have been discussed beforehand, and libertarianism was possible on the part of the federal government.<sup>215</sup> F.S. Tumusov had headed the fund of assistance to the population of the diamond province since 1993. The programs, important for the economy of the republic were developed in SAPI and now it was necessary to be responsible for that.

The general director of «Sahaneftegaz» M.D. Yefimov considered the position of A.B. Chubais clear: he was aimed at the effective utilization of the means, production efficiency.

The arrival of A.B. Chubais stimulated the discussion about the general sovereignty efficiency. As it was said by the vice-premier of the republic S.N. Nazarov, the approaches of the central government to the relations with regions became «very rigid». “From the point of view of the federal control bodies, it is a systematic approach, absolutely new for the last three years, when they basically do not make advances to regions, and give the things their real names“. S.N. Nazarov quoted the words of Chubais: «If we do not know, what the budget of the republic is and how it is formed, there cannot be expected any help from the Russian government... The economic questions should be transparent in order to take the objective decisions».<sup>216</sup> As a whole the Yakut elite considered it a fair demand. It was one of the first signs for reconsidering the relations with the central government.

But in Saha (Yakutia) the statement of Chubais, in which he said: “Yes, we know you are in a difficult situation. As long as such regions as Tatarstan, Yakutia and Bashkortostan exist, it will not be any easier for you”, - was accepted very critically at the meeting of the representatives of federal entities, constituting the “Siberian Agreement”, that was held the day before his arrival. This declaration was viewed upon as an attempt to direct dissatisfaction of the territories (krays) and oblasts areas towards the sovereign republics.

At the same time, people in the republic thought, that the perspective was only the integration of the Russian regions. And as for the sovereignty of the republic, it was not only its rights, but the responsibility as well. Therefore in many interviews there was an idea expressed that at the first stage of “permissiveness» (it was about the period of time, when B.N. Eltsin said: “

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<sup>215</sup> From the author's archive. Interview on 10 July 1997.

<sup>216</sup> From the author's archive. Interview on 11 June 1997.

Take as much sovereignty as you can swallow”) “they had taken even too much “ sovereignty. So, in particular, it was spoken about inexpediency of the own Saha airline and the responsibility for the transport communications as a whole. The chairman of the Committee on cooperation with the State Assembly and public associations by the President of Republic Saha (Yakutia) V.O. Ivanov said: « Well, now we have taken (about the sovereignty)... In some places they have really used the possibilities, and somewhere these standards have appeared stillborn”. So, V.O. Ivanov talked about the laws adopted in the republic, which frequently contradicted those of All-Russia. It creates difficulties both for economy and people. For example, it concerns private property. By the Russian legislation there is state, municipal and private property. «The private Property on land in Russia is already a solved question. And it is not stated in our Constitution... Thus today there are disputes, trials... The people have private enterprise, for example, there are businessmen in our country, the people work in the countryside too – they need the land... They address to the Russian constitution, and the case comes to the court”. V.O. Ivanov also gave other examples: about competency of sphere of the defence, authorities concerning military formations, which are under Russian legislation according to the Constitution of Russian Federation and according to the republican one the President of the Republic Saha(Yakutia) has the right to interfere and in this sphere too. “ It cannot be done, and our president understands this”. The point was that it was necessary to make amendments to the Constitution and laws. But there was also the comprehension of that that the question was uneasy one, as the opinions on the supremacy of the laws collided. In reality any law of Russian Federation did not pass ratification in Il-Tumene (the parliament of the republic), but the deputies did not want to cancel the provision stated in the constitution of the sovereign republic. “We do not want to amend the constitution, but we receive the transfers from Russia’, “the republic today is a subsidized one, though we shout, that we are sitting on diamonds, on oil, on gas and wood and etc...”, “one thing is to speak about the sovereignty, and to live and to administer independently is absolutely another“.<sup>217</sup> This comprehension, about which V.O. Ivanov spoke, became even much wider after the crisis events of August 1998.

In addition to country’s general economic crisis, the natural disasters - floods in the spring 1998 and 2001 were the second objective reason that

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<sup>217</sup> *From the author’s archive. Interview on 11 June 1997.*

mattered for Saha (Yakutia). Ability of the republic to sustain all these difficulties checked the strategy of the development elected and realized by its government. And it was only natural that in such situation the level of critical estimation of the government grew.

After the events of August 1998 the widely discussed article “We”<sup>218</sup> by Spiridon Tatarinov, a very popular journalist in the republic appeared in the papers of Saha (Yakutia), in which the attempt was made to comprehend both themselves as the people and the mistakes of the president M.E. Nikolayev. The part of problems stated by the journalist, concerned questions connected with the possibilities of realization of the sovereignty. The author started from the psychological peculiarity of the Yakuts (Tatarinov uses not the self-name of the people - Saha, but that name, which was given to them by Russians, - Yakuts). He pays attention to the tradition of hyper-patronage of children in the Yakut families, which “complicates the development of strong-willed features, enterprise, courage and ability to self-sacrifice”. “The Yakut nationalism, - writes S. Tatarinov, - is sensitive, whimsical, student’s, not adult. We have high claims and exaggerated self-estimation, but we have never been so courageous as to determine ourselves to bear responsibility for our destiny. We are constantly blaming others in our troubles - the Russians, the Jews and even the Chechens. Our inferiority complex is being treated by the perpetual references to the “favourites” and all-Russian crisis”. He pays attention to the scantiness of the sums allocated by government of the USA as the help in connection with flooding – 25 thousand dollars. It is the price “of mirror doors of the House of government”. The journalist connects it all with the fact that in the West they can count money and, hence, little appreciate the importance of the republic, which has been conducting Manilov<sup>219</sup> talks about “entry into the world community” for six years (time, that passed since the adoption of the Constitution and sovereignty. “We were included in this community, begging for charity into a golden cup, decorated with diamonds”.

The floods revealed the mistakes of the president M.E. Nikolayev. The journalist sees them, first of all, in that it was not necessary to dispose carelessly «the fabulous financial resources», which started to be left in the republic from diamonds. The point was about the constructed expensive facilities (the stadium, the medical center), for which maintenance there would be not enough money, about jeeps and cottages for the national leaders. He

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<sup>218</sup> *Kyym*, 8 September 1998, p. 2.

<sup>219</sup> *Manilov* is a character of N. Gogol’s novel “*Dead souls*”, a name used for an idle dreamer, who loves to build sand-castles and does not do any work.

accuses the imperious elite of “encouragement and kindling dependant, parasitic and greedy instincts of the Yakut people“. They are present in any man from any people, but “the consumer excitement” was stimulated by the president both at the top, and among the simple people. “Different people, - the journalist writes, – spoke the words, similar in their meaning: “alms-house”, «boarding school», «reserve of socialism», ”manger”. He considers, that, looking at the western countries, the authority has not understood, that there is «a heroic overcoming» - cautious, rational expenditure of money behind the consumer society. As a result “the Republic of Saha has appropriate substitutes almost for everything, that the other states have. Ersatz sovereignty, ersatz president, ersatz parliament, ersatz money “.

Naturally, there was a polemic in the republic concerning such estimations. Answering S. Tatarinov, the researcher and essayist A. Krivoschapkin wrote, that “many negative events happening now in Yakutia, have the objective social reasons, which our president cannot naturally influence”.<sup>220</sup> The reasons of spreading of low greedy passions is the absence of the firm laws, obligatory for all. The president, “should probably conduct a more independent policy, leaning on healthy forces of his people”, but there is such tradition in Russia, that only the person who gets along with «the autocrat» has the tiny bits from the master’s table. Therefore the author considered, that M. Nikolayev was right, when he supported B.N. Eltsin, and by doing so he succeeded in receiving privileges for his people.

Let us now consider the third subjective factor, which influenced the special status of the republic and, as it is obvious from the interviews and dialogues with the Yakuts, was realized by them. In political science and sociology it is called client-oriented factor. The president M.N. Nikolayev was considered a friend of B.N. Eltsin. Let me remind you, that he had refused to send gold and diamonds to the Union and began to transfer them to Russia already in the Gorbachev time. And B.N. Eltsin told him: «Establish the sovereignty, adopt the Declaration».<sup>221</sup> 20% of the cost of the sold diamonds began to remain in the republic. But, when the Russian president became sick and his position became unstable, M.N. Nikolayev started setting contacts with A. Lebed. The presidential command did not forgive him for that. And later he also attempted to establish relations with Y.Luzhkov. In 1998 the satisfaction of requirement in financial support for northern de-

<sup>220</sup> Krivoschapkin- Ayyga. *It not us. Kyym. 11 September 1998*, p. 2.

<sup>221</sup> Interview of A.A. Tomtosov. // *Leaders of the republics of Russian Federation speaking: 110 interviews of Leokadiya Drobijeva. M. 1996*, p. 148.

livery reduced up to 5% (in 1990 the state provided 90 %). The republic was demanded “to return the money, allocated on the budgetary loans”.<sup>222</sup> But the money was spent completely, and there was nothing to return. In November 1998. M.Nikolayev addressed the federal government with the request to abolish them. He regarded it necessary «to provide state protectionism on the territory of the whole north of Russia», to use the extreme budget for the republic and believed, that “the regions giving to the country two thirds of export revenues” had deserved them.<sup>223</sup>

In the meanwhile, the market relations changed the principles of interaction between the enterprises and organizations. Transport authorities, suppliers of produce demanded prepayment. And at the central government level they thought, that enjoying the special rights, the republic should take more and more responsibility of its own. And, as the reader could see from interview and the remarkable discussion in the press, in Saha (Yakutia) the readiness ripened to bring the republican legislation in accordance with the fundamentals of the federal legislation. But after all the guarantees of conservation of the constitutional-agreement relations in the Federation were proposed as a condition for that.<sup>224</sup>

Such development of relations with the center had its symptoms in other republics as well. Since September 1996 till October 1997 there were adopted seven republican laws in Tuva, introducing 37 amendments into the constitution of republic.<sup>225</sup>

But, as we could observe the behaviour of the Tuva representatives at the parliamentary hearings on basic question on the right of republic to withdraw, contradicting the Constitution of Russian Federation, there were no changes in the position of the republic till 2001. On the other principle question - about the supremacy of the laws - the contraventions were removed by the fact that any ratification of the federal acts failed, and in cases with the differentiation of authorities the republic willingly agreed to delegate its authorities on concrete questions not to the federal central government directly, but to its branch bodies, that is to the ministries and state committees.

It is absolutely clear, that some positions of asymmetry in the federative relations were more declarative, status, and some – more operational, concrete and influencing the everyday people’s life and functioning of the economy.

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<sup>222</sup> *Nezavisimaya Gazeta*, 10 November 1998, p. 3.

<sup>223</sup> *Ibidem*, 46.

<sup>224</sup> A.F.Bravin. *The state and the society in the development of federative relations.// Asymmetric federation: view from the center, republics and regions. M., 1998, p. 69.*

<sup>225</sup> I.S.Kozlov. *New tendencies in relations of the Federation entities with the power bodies of the central government.//Asymmetric federation ...p. 49.*

It was to those that the budgetary relations of federal subjects with the central government referred first of all. In the research literature these problems were called budgetary federalism. It was they that caused the disputes not only concerning the axis the republic – the central government, but also between the entities of Federation. Basically in all federations the central government aspires «to squeeze «out» from the entities the maximum for ensuring “the state interests”, which are usually defined by the center itself. The entities of the Federation always compete at division of the state orders, subsidies and grants. The conflicts are usually solved by the compromises.

The present peculiarity of Russian Federation is that not declarative, but real federative relations, especially those fixed by agreement, a new, historically unusual phenomenon was used in different situations with the political aim of maintaining the power. Therefore the objective discrepancies in the social and economic situation of the entities, which justified the variety of budgetary relations, were quite often supplemented «by the “personal» agreements, the bases of which remained closed for the society. This was the reason of protests in those entities of Federation, which did not enjoy the special privileges. The majority of these entities are oblasts. Hence the numerous attempts of the central government (of G.N. Burbulis - on the eve of the Constitutional counsel of 1993, of A.B. Chbais – at the meeting of the Siberian agreement in 1997 etc.) to knock together the interests of oblasts with the republics having special agreements, with the purpose of mobilizing the greatest possible money in the central government.

The hand of the contraventions in some cases turned counterclockwise the republics, and in the others - counter the resource entities of Federation. The donor republic and oblasts protested against the allocation of the revenues collected in them, to the regions of the so-called depressive group (Tuva, Dagestan, Aginsk - Buryat autonomous area etc.). Therefore the attitude to asymmetry was different both among the republics and among the oblasts and territories (krays).

In areas, which have received the special status (advantages from the viewpoint of other entities, - for example, Sverdlovsk oblast), the asymmetry of federation was perceived as the natural phenomenon connected to certain peculiarities of territories. One of the arguments of the governor of Sverdlovsk oblast Rossel was the high share of a military-industrial complex and border position in the Kaliningrad oblast anklav, while in the Magadan oblast it would be the peculiarities of the northern seaside territory with a single profile industrial orientation (production of gold, on which sale there is a state monopoly, and fish craft)<sup>226</sup> etc.

<sup>226</sup> *Russian North and federalism: in search of a new model. Chief editor A.N. Pilyasov, Magadan, 1997.*

Additionally, there was the following argument: among republics there are those with a special status, which means that the oblasts should be able to conclude special agreements, too, - it is quite a normal phenomenon. "The process of agreements is a new long-term and powerful tool of construction of the Russian statehood bases - with the northern regions, strong and equal in rights with each other", - wrote one of the basic developers of the Magadan agreement A.N.Pilyasov.<sup>227</sup>

In the period, when the signing of the agreement with oblast took place in Moscow, the vice-governor of the Magadan oblast V.I. Kobets, told us in the interview: «the Magadan oblast, as well as any other territory of Russia, has its own peculiarities... One of the mistakes (of the central government –L.D.) is an attempt to make the law uniform... expanding it on all subjects of federation». He gave an example with gold, which was the basic branch for territory. There is the state monopoly on it. The area gives gold to the state, which nominates the price, guided by the world market (and even the obtained revenues do not reach the oblast). And in the meantime, all other goods, which are received by the users of the natural resources, are supplied to the oblast in the market of free prices. «We differ from republics in that they have a lot of rights, and we do not. Near us is Saha - a republic, it can sell a part of production, including the external market, say the diamonds. It receives a part of gold, and we do not have this possibility. It is because the republic is something greater, than oblast...

The republics have much more rights. In general I want to say, that, unfortunately, there is no legal equality of the entities of Federation, it is only designated, that they are equal in rights. Different entities enjoy many advantages, privileges, which are given by the government depending on that whether it is a republic or an oblast: a number of customs privileges, privileges for delivery of the equipment on the territory, a number of advantages, which the republic receives independently through different kinds of grants».

The oblast considered to be unfair not only the special rights of Saha (Yakutia), but also those of Moscow in respect of the customs duties. «If in Moscow they import the goods, having privileges, it is strange for me, – said the vice-governor, - in Moscow they have them and we do not. Why? It is not just inequality with the republics, as it happens after the principle «the one who is closer to Kremlin, has the benefits... »<sup>228</sup>

Therefore the treaty with oblast provided a number of agreements on the free economic area, on use of the natural resources and in regard to customs

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<sup>227</sup> *Ibidem*, p.5.

<sup>228</sup> See *Asymmetric federation...*, p. 165-168.

duties. The oblast considered, that, as well as in Saha (Yakutia), the part of tax receipts should stay in the oblast instead of receiving a part of them through transfers right then, after swapping the taxes into the central government. It is remarkable, that the last reason stated by L.V. Yakubovich - the head of department of the finance to Administration –was connected with the ethnic-national infringement. «We have also felt the infringement of such originally Russian territories in comparison with the republics», - she remarked.<sup>229</sup>

The ethnic-national aspect of the federal asymmetry was practically the third axis of the contradictions. And in the crisis situations - during the struggle between the president and the parliament in 1993, in the peak of increase of economic difficulties during the summer months in 1997 and 1998, at the central government and in Russian areas they always found «default» or «privileges» first of all in the republics, and latently it all turned into the anti-Tatar, anti-Bashkir, anti-Yakut, anti-Caucasian moods.

In the book, which we prepared by the Draft «Ethnic and administrative borders: the factors of stability and conflicts»,<sup>230</sup> experts expressed their attitude to the asymmetry of federation. The opinion of the chairman of the Committee on the interethnic relations of Administration of the Orenburg oblast V.V.Amelin, Ph.D in history, was remarkable in this respect. On the one hand, he wrote: “I would like to emphasize, that the dissatisfaction with the asymmetry is directed, basically, against the center”. On the other hand he was indignant that there was a reduction of financial support to the majority of regions, including the Orenburg oblast: «That is, there is a rearrangement of the financial and social mistakes connected with the conducted economic policy, on oblasts and krais. At the same time, the Northern-Caucasian region becomes the main receiver of the transfers... It is unfair by many points... The oblast does not have those advantages, which the neighborly republics - Bashkortostan and Tatarstan have...». The Inter-budgetary relations and the fiscal policy are the central, major questions, in opinion of the author. «The Orenburg oblast is not subsidized, it is profitable, but it constantly receives from the center less than the means stipulated by the budget... Actually the unitary system of relation construction with the entities of Federation is kept», – notices V.V.Amelin.<sup>231</sup>

The Orenburg area is the Russian area by the majority of the population (72 %), but it is a neighbour of Bashkortostan, Kazakhstan, Tatarstan and Udmurtiya. The

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<sup>229</sup> See *Asymmetric federation...*, p. 172.

<sup>230</sup> *Ethnic boundaries mean not the territorial distribution of the peoples, but subjectively understood distance in inter-ethnic agreements.*

<sup>231</sup> *Ibidem*, p. 111, 114, 115.

inter-regional comparisons here are constantly intersected with ethnic-national ones. Therefore, when you arrive to the oblast and talk to the people, you can constantly hear comparisons: «And the Tatars live better», «look, what the Bashkirs have done!».

It is probably not by chance that a large regional (visited by scientists and politicians from Tatarstan, Bashkortostan, Moscow) conference about the Russian people was held in the oblast in 1996. Among other questions it covered the situation with the constitutions and agreements of republics.

The representatives of Tatarstan said (I. Tagirov, R. Khakimov): «We support the idea about equalizing the rights of republics with oblasts – go ahead and just reach up to our authorities».

In this connection the vice-president of the Legislative Assembly of the Orenburg oblast told us in the interview: «On the one hand - it is logical: conclude the agreement, apply any of your methods of pressure on the centre. It seems to be good. But, the first difference - we do not have a national flag. How cunningly is everything arranged! Swinging the national flag, they achieve the economic independence. We cannot wave and shout, that we are the Cossack Orenburg republic etc. First, we do not and cannot perform this national idea. We are not an indigenous nation, we do not have any state formation here, and we cannot act on behalf of Russians... Secondly, if everyone «reaches» the level of Tatarstan and Bashkortostan, the center will simply fail. We understand it too...

It is necessary to conclude the agreement uniform for all the federal subjects. And to make a remark that all subjects of Federation contribute an equal share on the maintenance of the center. There should be not separate agreements - it is a vicious circle, but a uniform Federal agreement, which everyone should sign.

At signing such agreement the donors should be singled out. It should be said there, that those who are the donors, enjoy an easier or an advantageous position. The donors exactly. Not because this is a republic, and that is an oblast, but it is important that they give back more to the center».<sup>232</sup>

The mayor of Moscow Y.Luzhkov said in the Council of Federation: «The idea, desire to become a city of Tatarstan comes into my head more and more often. And in this case Moscow, having lost its independence, will get... an unheard of economic potential, because the taxes paid by Tatarstan and some other republics... are incommensurable with those paid by Moscow or other regional... entity of the Russian Federation».<sup>233</sup> It certainly could not but raise the

<sup>232</sup> *Ibidem*, p. 177.

<sup>233</sup> *Archives of the Federation Council. Quoted from: A.N. Arinin. Questions of the development of Russian statehood in the end of the XX century. //Federalism of power and power of federalism. M. 1998, p. 62.*

support from the heads of other oblasts. But, when all these were voiced for broader masses, it could evoke not simply anti-Tatarstan, but anti-Tatar moods.

The statements of the authoritative representatives of governments (administrations) of oblasts is the opinion of the elite. The people trust the imperious elite in oblasts certainly more than the government of Russia, but less, than the masses trust their government in the republics.

The regional elite have treated the rights of republics rather competitively and did not always consider it justified that the republics had larger possibilities at the use of resources. And what did the population think in this respect?

The opinions of the city dwellers of the oblasts, who are more informed, were distributed as follows: 51% of the citizens of Orenburg and 59% of Magadan considered, that «only oblast can dispose the land, natural riches of the area», 20% of the citizens of Orenburg and 23% of those of Magadan - that they should be disposed by the oblast and the Russian Federation together, and 8% of citizens of Orenburg and 3% of those of Magadan believed, that it was a prerogative of Federation.

Thus, the understanding about the right of region to dispose of resources was present not only in republics, but also in oblasts.

In 1996-1998 the strengthening of regionalism influenced very much by the default took place. It was expressed through non-payment of taxes (Tomsk, Omsk, Novosibirsk, Irkutsk etc.), prohibitions on export of production, administrative - compulsory price control, attempts to control the financial flows (creation of joint account pulls in the Samara oblast, bank pull on Kamchatka etc.). In 1999 there was a struggle for the enterprises and organizations paying the taxes not in the place of their registration, but at the real location. «The Budgetary federalism» became the basic disputable plot not only in the relation with the republics. In these conditions already the E.M. Primakov's government began to declare openly the necessity of strengthening the powers of the central government. At first there was stimulated the idea of the possible «collapse of Russia» was stimulated, though except for the situation around Chechnya there is no such danger any more. Russia is fastened not only by railways and other transport arterial roads. Natural monopolies – Russian Joint Stock Venture Unified Energy System, Gazprom, oil companies, which act in union with federal government became the main conductors of policy of the central government, - the financial system.

However it is viewed as inadequate by the heads of the central government The strengthening of branches of power is conducted in the atmosphere of «law and order», what generally met the public attitudes, as the

polls demonstrated (54 % of support in 2000, by the data All-Russian Central Institute of the Public Opinion). These understanding also contained the attitude to deviations from the Russian Constitution in the entities of Federation, first of all in republics. Hence is the non-resistance to creation of the institute of presidential representatives in 7 districts.

The public moods in republics and areas change considerably. If only some years ago there essentially prevailed emotions, estimation of the Soviet past, psychological sensations of damage, losses, hurt feeling of dignity, now there is more rational approach both in conduct, and in the relations with the central government. In the republics they realize rationality of a principle of the laws supremacy of the Federation more often and, as the experience shows, start searching for compromises. But the competition between the oblasts and the republics in the relations with the central government is still maintained and it is transferred into the ethnic-national sphere. The largest danger, which it is important to avoid for the governance of the federal entities and for the federal central government, is to transfer the solutions of the contraventions between branches of power into the hierarchy of interethnic relations.

Gulsum Pugacheva \*

### **Asymmetry of Russian Federation: Political - legal aspect**

Existence and the normal functioning of any federal state implies availability of a set of several necessary conditions. They include:

1. Common political, social and economic interests of the federal center and entities of Federation.

2. The federal center should have precise, flexible and differentiated program of economic development of regions (which, in its turn, should be fulfilled).

3. There should be present an appropriate system of the normative acts reflecting the principles of construction of budgetary federalism, as well as a balanced transparent system of the inter-budgetary relations.

#### ***General political, social and economic interests***

Due to a number of circumstances there have formed two groups of regions now in Russia, whose economic interests and orientations of economic relations do not coincide.

The first group contains the entities mainly with the raw materials capital - oil, gas, iron-ore and non-ferrous metals. Republics of Tatarstan, Bashkortostan, Saha (Yakutia) and Tyumen oblast and some other regions refer to this group. These entities actively use natural-raw potential of their territories for independent survival and support further liberalization of foreign trade activities, deduction of a part of the customs duties to the local budgets and, hence, expansion of their authorities.

The economic interests of these entities find their direct expression, first of all, in the regional legislation, what frequently causes non-conformity of the local laws to the federal legislative acts. It is well-known, that during the first two years after the collapse of the Soviet Union, Russia was overlapped by a wave of «souverenization», which had a number of objective reasons. One of them was the redistribution of the property and economic goods. As it is fairly marked by D. Treisman, originally the sovereignty declaration was related by the entities of Russian Federation to the fact that now large part of tax revenues should remain in regions.<sup>234</sup>

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<sup>234</sup> Treisman D. *After the deluge. Regional crises and political consolidation in Russia.* // The University of Michigan Press. 1999, p. 67.

Realizing their right on self-identification, the republics of the Russian Federation have adopted the state sovereignty manifests, having discarded the status of autonomous republics. The analysis of the State Sovereignty Manifests demonstrates, that the term “sovereignty” is absent in the legal documents of two republics from sixteen (Mordovia and Dagestan), and two republics (Tatarstan and Checheno-Ingushetiya) have not mentioned, that they are «parts of the Russian Federation».

Later, the republics adopted the constitutions, where many provisions of the manifests especially those concerning their state-legal status, were included without any changes. Practically all adopted constitutions included the provision of the manifests that land, natural resources etc. are the property of the peoples living on the territory of the republics, that is, there actually took place the redistribution of property between the federal center and the regions. The constitutions stated the supremacy of the law of the entities of Russian Federation in the questions of possession, use and disposing of natural and other resources (Tatarstan, Adygueya, Dagestan, Ingushetiya, Northern Osetiya-Alaniya, Kabardino-Balkariya, Tyumen area). So, for example, if in 1990 the Republic of Tatarstan controlled 2% of the property of its territory, in 1993 – the figure was 90%.

Later, these provisions were concretized in the bilateral agreements concluded with the entities of Federation. The agreements have given the republics the additional control of natural resources, allowed creating national banks, and granted the large autonomy in international trade.<sup>235</sup> So, one of the main elements in the agreements is the solution of issues connected with possession, use and disposing the land (Agreement with Republic of Tatarstan), independent accomplishment of foreign trade activities (Agreement with Republic of Tatarstan, Agreement with Republic of Bashkortostan), creation of own bank (Agreement with Republic of Tatarstan, Agreement with Republic of Bashkortostan), differentiation of the state ownership (Agreement with Republic of Tatarstan, Kaliningrad, Leningrad regions), division of natural resources into the resources of federal and regional significance (Contracts with the Leningrad, Nizhniy Novgorod, Sverdlovsk regions). Having secured themselves with the Agreements, the regions started to pass their own legislation in these areas. So, in Republic of Tatarstan the following laws work: «On foreign trade activity» from July 11, 1996. «On privatization of the state-owned property», «On the foreign investments» from July 19, 1994, «On the status of the approved investment

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<sup>235</sup> *Ibidem*, p. 35.

draft» from March 6, 1996, «On the free economic area “Alabuga”» from April 22, 1998 and many others. All the above listed Contracts and Laws, as well as many others, have a different degree of conformity to the Federal legislation, but all of them are consolidated by one thing: they contradict the Russian law.<sup>236</sup>

The initiatives of the newly elected President of Russian Federation V. Putin, directed on strengthening the hierarchy of state power, could not ignore such an important sphere as the federal relations, and in many entities of Russian Federation the campaign of bringing the regional legislation in accordance with the federal one was initiated. So, on November 3, 2000 the State Assembly of Republic of Bashkortostan accepted the Law of Republic of Bashkortostan «On introduction of amendments and supplements into the Constitution of Republic of Bashkortostan». The changes were introduced with the purpose of bringing the Main Law of the republic in accordance with the Constitution of Russian Federation. It is necessary to note, that a number of the basic provisions of the republican Constitution were already brought in accordance with the Russian Constitution.

Nevertheless, despite the decision of the Constitutional Court of Russian Federation from June 27, 2000, the legislators introduced the formula, that «Republic of Bashkortostan is a democratic, legal sovereign state and part of the Russian Federation...» into the Article 1. And though the second part of the same article specifies the limits of the sovereignty, (« the sovereignty of Republic of Bashkortostan is expressed in possession of all completeness of state power beyond the limits of governance of Russian Federation and authorities of Russian Federation on the subjects of joint governance of Russian Federation and Republic of Bashkortostan), the Part 1 of the Article 5 alleges, that «...The republic of Bashkortostan is included into the composition of Russian Federation on a voluntary and equal rights basis ... The relations between the public authorities of Republic of Bashkortostan and the public authorities of Russian Federation are defined by the Constitution of Republic of Bashkortostan, Constitution of Russian Federation and the Agreement «On division of the terms of reference...», other bilateral agreements and agreements». Thus the legislator does not specify a mode of application of the given standard in case of the contraventions between the Federative agreement, bilateral agreement, other agreements and Constitution of Russian Federation. The basic innovation was, that the Constitution of the Republic of Bashkortostan incorporated the bilateral agreement «On the division of powers and mutual delegation of authorities between state power of Russian

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<sup>236</sup> *Gabdrāfikov I., Ywenikeyev A. Constitutional reform and political process in Bashkortostan: autumn, 2000.// URL//http://federalmcart.ksu.ru*

Federation and bodies of the state power of Republic of Bashkortostan», signed on 3 August 1994. Thereby lawmakers obviously tried to increase the legitimacy of the document, having given it the constitutional status.<sup>237</sup>

The joint session of Chambers of State Assembly of the Republic of Saha (Yakutia) (Il Tumen) on 7 July 2000 considered and passed the Law of the Republic of Saha (Yakutia) «On amendments and supplements in the Constitution (the Basic law) of Republic of Saha (Yakutia)», represented by the Prosecutor of the republic, in which a number of contraventions with the Federal Constitution were eliminated. In particular, it concerned the questions of organization and procedures of activity of the judiciary system; the rights to suspend the action of a number of the federal acts on the territory of Saha (Yakutia), declaration of state of emergency on the territory of the republic; adoptions of the decisions about dislocation of military formations on the territory of Saha (Yakutia).<sup>238</sup>

However such basic constitutional provisions, regulating the questions of possession, use and disposing the land, natural resources etc., were not brought in agreement with the decisions of the Constitutional Court of Russian Federation either in Republic of Bashkortostan, or in Republic of Saha, or in Republic of Tatarstan.

The second group of the entities of Russian Federation is constituted by those mainly possessing the industrial potential: mechanical engineering, chemical, light and food-processing industries. It is possible to attribute to them the Ulyanovsk, Kurgan, Kaluga oblasts, Republics of Udmurtiya and Chuvashia, and a number of others. Their interests are basically reduced to the strengthening of the protectionist measures on the part of the federal center: to the state regulation of the prices on fuel, to the granting of credits on favourable terms, on the state orders. The contracts with these regions were signed in 1996 - 1997 and in view of practically complete identity of their contents and the structures they had soon received the titles «the agreements - clones».

If the Contracts of the entities of the first group strengthen their independence in the solution of regional problems at the expense of joint management, the entities of the second group tightly «bind» the federal centre to the solution of their problems (Ulyanovsk, Ivanovo oblasts and other entities of Russian Federation).<sup>239</sup> And this, in its turn, also generates the legal conflicts of the regions with the federal

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<sup>237</sup> *Ibidem.*

<sup>238</sup> Kim A.N. *Development of the federative relations and reformation of the system of state management in Russian Federation at the present stage.* //URL// <http://federalmcart.ksu.ru>

<sup>239</sup> Boltenkova L.F. *Agreements between the public authorities of the subjects of Russian Federation and the Federal central government about division of the terms of reference and authorities.* Analytical note. TACIS project, p.29.

centre, but these contraventions are not of such a radical, political character, they can rather be characterized as the contraventions - provisions developing and continuing the Article 72 of the Constitution of Russian Federation. So the Agreement with Marii El includes in the list of subjects of joint management the coordination of activity on creation on territory of the Republic of the special economic area, and also local customs-enforcement areas (Paragraph «v» of the Article 2), the Agreement with Ivanovo oblast includes development and realization of the federal program of reorganization of the textile industry (Paragraph “b” of the Article 2). The agreement with the Chuvash Republic establishes in joint management the following: the structural reorganization of economy of the Chuvash Republic, questions of development of the centre of Russian hop-growing on the territory of the Chuvash Republic, creation of the regional transport and shopping center (the Article 2 of the Agreement) etc.

Existence in Russia of these two groups of the entities (with the raw material capital and with the industrial capital) and conservation of a situation, when their interests not only do not come closer but on the contrary are becoming more remote, can hereinafter result in irreversible processes connected to their large delimitation, up to the opposition.

Considering political and social-economic interests of regions, it is impossible to bypass a group of areas, whose interests slightly differ from the interests of first and second groups of the entities of Russian Federation. We are speaking about rich, «strong» areas, «capable of investment expansion» to other regions (Sverdlovsk and Tomsk oblasts).<sup>240</sup> This group of regions is dissatisfied by their status distinguished from the status of republics, which according to the Article 5 of the Constitution of Russian Federation are announced as the states, while all other entities are not. Besides, from times of the USSR the central authorities shared the point of view, that only the republics in the composition of RSFSR were national-state formations, i.e. they were subjects of Russia proper.<sup>241</sup> The first attempt “to pull up” to the status of a republic was made in 1993 when “the Ural Republic” was proclaimed by Sverdlovsk regional council of the People’s Deputies. At that time its proclamation did not pursue the purposes of receiving of the economic privileges for the region, as it was the practice with the special bilateral contracts. By the decree of the President of Russian Federation N 1874 from 9 November 1993 Sverdlovsk regional council was dissolved and its decisions about «the Ural Republic» were recognized invalid, and the next day

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<sup>241</sup> Surovtsev Yu. *Ibidem*; V. Marchenko. *Regional problems of setting up of new Russian statehood*. Moscow, 1996, p. 57.

the head of the administration of Sverdlovsk area was released from his position. Nevertheless, in 3 years time the Sverdlovsk oblast became the first entity – not a republic, with which the federal central government signed the Agreement. Among the reasons of signing of the given Agreement there is basically one named – the desire to erect the barrier in front of the before process of republicanisation of oblasts and krays.<sup>242</sup>

This Agreement provides the Sverdlovsk oblast the additional rights not stipulated by the Article 72 of the Constitution of Russian Federation. For example, the following in the sphere of joint management:

a) Creation of conditions for structural reorganization of economy of Sverdlovsk oblast;

b) Regulation of questions connected to processing, use of jewels and items from them, situated on the territory of Sverdlovsk oblast, etc.

The Agreement between the Government of Russian Federation and administration of Sverdlovsk oblast area about division of authorities in the sphere of public health services establishes, that the financing of the federal programs of development of public health services in the oblast is realized «at the expense of the taxes collected on the territory of Sverdlovsk oblast, which are subject to the transfer to the federal budget». The same is in the Agreement on division of authorities in the sphere of science, higher and high vocational education, where financing of the federal establishments of science, higher and high vocational education is envisaged from the federal budget and is realized by the territorial Management of federal treasury on Sverdlovsk oblast at the expense of tax payments in the federal budget, levied on the territory.

In due course, the idea is purely «mechanical» - republicanisation of areas was transformed to an idea of integration of regions of Russia. For the first time it was presented by Victor Cress, the governor of Tomsk oblast, on the Counsel on development of the federative relations in January 1999. In particular he offered:

a) To reduce the number of the entities of Russian Federation;

b) to fix inter-regional associations legislatively;

c) To create federal districts - for example – an educational district in Siberia with the centre in Tomsk, a transport one – with the centre in Novosibirsk etc.

Later, seven federal districts were formed by the Decree of the President of Russian Federation № 849 «On the envoys of the President of Russian Federation in a federal district» from May 13, 2000 «with the purposes of administrative ensuring

<sup>242</sup> Boltenkova L.F. *Agreements between the public authorities of the entities of Russian Federation and the Federal central government about division of the terms of reference and authorities. Analytical report*, p. 8.

of the supremacy of law of the federal acts». A number of the researchers consider the strengthening of federal districts as a step to the further unification of Russia, although it is necessary to note inconsistency of the centre concerning determination of prospects of these new structures in the state structure of Russian Federation. Their real role in political life of the country is called in the large question meanwhile.

Besides it is necessary to note, that practically all regions in Russian Federation are characterized by the process, which the experts name as a self-short circuit of industrial complexes of regions.<sup>243</sup> Quebec, famous in the decentralized Canadian union by its isolationist moods, sells about 60 % of its products, on the internal regional market during the last decade. In Russia in 1996 32 subjects of Federation had the same parameters, 8 republics, krays and oblasts, including Amur, Novosibirsk and Chita oblasts, the Krasnodar and Stavropol krays, Chukotka autonomous area, have advanced further away in creation of autocratic regional economy - their enterprises work on needs of their own region on more than 70 %.

It is impossible to bypass by attention one more group of regions, which the economists define as « the entities of stagnant poverty »; these are the republics of Northern Caucasus. The poverty of these regions is explained, first of all, by long interethnic conflicts. The legislation of these entities experiences strong influence of Islam (especially it is noticeable in the legislation of Ingushetia and Chachnya). According to the experts, Islamisation of the Caucasian republics will continue, which is explained not only by the traditions, history and mentality of the population, but also by a number of economic reasons. For example, the main exporter and partner on export in Dagestan among countries of CIS is Azerbaijan, the share of export of which, in comparison with other countries of CIS, constitutes 79,9 %, import - 75,9 %. And Azerbaijan is the strategic partner on Caucasus not only for Dagestan, but also for other republics. Among distant foreign countries the main importers are Turkey, United Arab Emirates. Out of the general number of joint ventures (81) registered in Dagestan the greatest number of the enterprises from the CIS countries falls on Azerbaijan (17), from the distant foreign countries - on Turkey (20).<sup>244</sup>

### ***The federal program of the development of regions***

Practically in any country, which has large territory, its entities differ by their economic characteristics. And the more disproportions between regions,

<sup>243</sup> Kamenskaya G.V. *Federalism: mythology and political practice*. Moscow, 1988.

<sup>244</sup> See: Gichiev N.S. *Development of inter-regional economic relations and foreign economic activity of the Republic of Dagestan*. // *Materials of the workshop «Foreign economic relations and regional development of Russia»*. Moscow, 1999, p.124-126.

the more negative effect it has for the economy and political stability of the country as a whole. In order to prevent that, the programs of the assistance to the depressive regions are usually accepted at the federal level. In this respect, the example of vertical and horizontal flattening of rich and poor lands in Germany became axiomatic.

In Russian Federation there exist unprecedented inter-regional contrasts between the subjects:

– by GNP. For example, in the Tyumen oblast the GNP constitutes 800 % from average of the country, whereas the Pskov, Penza, Tambov, Chita oblasts, Altay kray, Republic of Marii El and some other regions hardly collect 30 - 40 % from average Russian GNP (this break constitutes 1,1 times among the states of the USA);

– by the stage of social-economic development - from pre-industrial (Tyva, Kalmykia, Altai, part of autonomous areas of North) up to post-industrial (Moscow, St. Petersburg);

– by the level urbanization of territories - from zero (100 % of agricultural population) in Ust-Orda, Buryat autonomous area up to maximum (100 % of urban population) in Moscow;

– by the area of territory by 388 times (Saha-Yakutia and Northern Osetiya), and population by 376 (Moscow and Evenkiya autonomous area).

Such asymmetry, large geographical extension of the country, practically complete absence of the help to the depressive regions, and also complete absence of working mechanisms of lowering of social-economic and legal asymmetry results in the fact, that the regions (especially those on the frontier) begin to be guided in economic, and, hence, legal plan by the frontier neighbours, which play a role of mighty power fields. In the opinion of many experts, the larger part of Russia is connected with such entities of Russian Federation as the Sakhalin oblast, Kamchatka oblast, Amur oblast, Khabarovsk kray, Chita oblast and the others only by railway, and the trade turnover of the above mentioned entities with the Russian Federation constitutes no more than 10 %. Recently on the background of lowering of volumes of the Russian-Chinese trade one can see the increase of trade turnover on the frontier and inter-regional connections. In 1998 it increased by 40 % and reached 2,25 billion dollars (more than 45 % of all Russian-Chinese trade turnover). The agreements about direct trade - economic cooperation between administrations of regions of the two countries were signed: between the Primorye kray and the province of Izilin, Altay kray and Sin-

Zyan-Uygur autonomous area, Amur oblast and Shanghai.<sup>245</sup> The share of Mongolia, Korea, Japan etc and other frontier countries is also the significant part of the trade turnover. The avulsion from the Russian economy we see also in the Murmansk oblast, whose fishing fleet sells nearly all production in Norway, not taking it up to its own coast.<sup>246</sup> Thus, the export of the oblast to Norway constituted 54-66 % of the export of Russia to this country in 1995-1997, and the import, accordingly was 23 - 25,7 %.<sup>247</sup> The republic Saha (Yakutia) is a co-founder and full-fledged member of the international Northern Forum – a non-governmental organization consolidating the representatives of the peoples of Polar countries –the USA, Canada and others, and applies for being represented in the United Nations.<sup>248</sup>

It is impossible to say, that the attempts of flattening of the economic status of regions are not undertaken at the federal level. According to the data of the experts, at present about 200 normative-legal act of such character are accepted, but they are either defaulted or are not fulfilled completely. For example, the actual revenues on realization of federal targeted programs and programs of development of regions on North planned in the budget rarely exceeded 30 % during the last years.<sup>249</sup>

### ***System of the inter-budgetary relations***

It was supposed, that the economic and social asymmetry of Russian Federation, which does not have global analogues, would be reduced after adoption of the Budgetary and Tax Code. The budgetary and Tax Code were accepted in the summer of 1998, and now, after some time, it is possible to establish, that nothing has happened.

The chapter « the budgetary federalism » has disappeared from the final variant of the budgetary code, and the equation of the budgets, which practically should be realized through equality of the budgetary laws, is limited

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<sup>245</sup> Tomikhin E.Yu. *Russian-Chinese inter-regional and boundary relations: mechanisms, problems, prospects.*//Materials of the workshop «Foreign economic relations and regional development of Russia». Moscow, p.130.

<sup>246</sup> A.G.Granberg. *Foreign economic relations of the subjects of Russian Federation in modern conditions. Collection of documents and materials.* Moscow, 1999.

<sup>247</sup> E.P.Bashmakova. *Foreign economic activity of the Kolsk region.* //Materials of the workshop "Foreign economic relations...", p.96.

<sup>248</sup> Bragina D.G. *Consolidating function of the regional factor: experience of souverinisation of the republic of Saha(Yakutia).*//Common law and legal pluralism. Moscow, 1999, p. 78.

<sup>249</sup> Kurnyshov V.V. *Analysis of the normative legal basis of the decreasing of the economic, social and legal asymmetry in the development of the regions of Russia.* TACIS, p. 6.

to the orientation of mechanisms of budgetary flattening onto the budgetary consumption, but not onto the flattening of fiscal potential of each region.

According to the second part of the Tax code of Russian Federation and changes in the relations between the centre and the entities of Federation in the sphere of taxation, which will be enforced in January 2001, the centre will collect from regions the excises and value added tax (VAT) completely - the most significant and easily collected revenues, and the local taxes will get into the budgets of the entities of Federation only through the federal treasury. The uniform social tax, which has united payments in three funds - pension, employment and obligatory medical insurance, will also go to the federal treasury. At the same time the federal center undertakes the obligation to fund only some social allowances, including those for the veterans, invalids, people who suffered from Chernobyl explosion, children's allowances. In the opinion of the Chairman of the Tatarstan State Council F. Mukhametshin, the budgetary system of Russian Federation remains extremely centralized even by the measures of the Unitarian state. Russian federal centre has already overcome that threshold, which existed in the Soviet times, when approximately 52-53 % of the general state funds were taken into the union budget. But at the same time the allied budget bore a very essential load – 54 % of all expenses was spent on the national economy. Nowadays, only 27 % is allocated from the federal budget. The rest 73 % of expenses fall on the territory that is on regional and local authorities.<sup>250</sup>

Moreover, more and more amplifying «transferization» of the financial help to regions from the federal budget creates a harmful illusion about budgetary equality of the entities of Russian Federation. In fact there is a situation, when the regions - donors quite often appear unsuccessful in respect to the social-economic provision despite active economic policy, conducted by them, and the regions - recipients, on the contrary, quite often are rather safe in this plan. All this testifies to the fact that the main principles of the budgetary code are rather principles of the Unitarian state; non-adjustment of the questions of the budgetary federalism results in a huge and more and more increasing difference in standards of living and social- economic development of regions and accordingly to an aggravation of the inter-regional conflicts.

In this situation the regions - donors have only one way out - conclusion of the inter-budgetary agreements with the federal centre, which for the above-stated reasons contradict a number of the articles of the Constitution of Russian Federation, Budgetary and Tax Code.

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<sup>250</sup> Mukhametshin F. *Decentralization of inter-budgetary relations is not a whim but objective necessity.*//*Respublika Tatarstan, April 4, 2001.*

The Tax Code (part I), as well as the budgetary Code, has practically left without attention the problem of the budget-tax federalism; the shares of tax revenues are not divided by the levels of the budgetary system. So, in the Article 1 of the Code it is underlined, that the Code establishes «a system of the taxes levied in the federal budget and general principles of the taxation and the duties». However instead of establishment of «a system of the taxes levied into the federal budget» the Code defines «a system of the taxes and duties in Russian Federation». The absence of its own field for levying taxes pushes the regions either to occupy a dependant position (aggravating the budgetary crisis), or to conduct policy of introduction of a the separate legislation by appearance of the problems.<sup>251</sup> For example, in Bashkortostan the tax to the redundant number of cattle is introduced, in Sverdlovsk oblast there is the duty on the import of alcoholic production on its territory, in Tyva there are excises on local raw material and foodstuffs, in Republic Tatarstan the targeted tax on «shabby housing» at the rate of 1 % from volume of realization of production is introduced. The State non-budgetary housing fund realizing the program of liquidation of shabby housing was formed by collection of this tax. It is planned, that by 2004 the project will have been completed - 46 thousand families will move to the equipped flats. And even though the tax is recognized as contradicting to the federal legislation, it nevertheless, continues to be collected.

Thus, now, in Russian Federation there is no either a program of the way out from the crisis, or a working program of social-economic flattening of regions, actually there is no present budgetary and taxation legislation built on the principles of the budgetary federalism.

As a result, the regions independently integrate themselves into the global economy, independently solve the problems facing them in this difficult period and accordingly build the system of the legislation, which, on a sight of the entities of Federation, is capable to create the favourable preconditions for the development of economy, to attract western investors, to make foreign trade activities more intensive and efficient.

In these conditions each region (or groups of regions) has its own political and economic interests. For creation of the strong state, a viable federation it is necessary, that the regional interests have a common political, economic and social orientation that does not occur yet. Therefore, it seems that Russia can be designated as a multifactor federalism in the terms of the state-territorial system.

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<sup>251</sup> See: Podporina. *Legislative basis of budgetary federalism in Russia. TACIC project.*

## **Federalism in Russia**

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