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Who Rules Russia and How?

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Power in Russia is often identified with the country's president. Discussion about the future of the Russian Federation is dominated by questions about the scope of power enjoyed by Vladimir Putin, his beliefs and plans, and about the Russia he intends to establish. However, the answer to the question "Who is Mr. Putin?" allows us to understand only a part of the Russian reality. Although Vladimir Putin is undoubtedly the most important and, currently, the most influential person in Russia, he constitutes only one of many forces decisive for the direction of the country's development and future.

In this chapter, I will try to show that, despite the visible reinforcement of presidential power and an almost complete disappearance of organized public opposition, there is no "one-person-rule" in Russia. There are deep institutional (between particular governing structures) and personal (between unofficial groups based on professional, regional, or familiar relations) divisions in the Russian ruling elite. These divisions make it difficult for the Kremlin to develop a coherent vision of the country's future, and they call into question the implementation of possible social and economic reforms.

While answering the question put forward in the title above, "Who is ruling Russia and how?" I would like to avoid presenting a "Putin-centric" view of Russia. My aim is to provide a description of the complex governmental structure in that country, as well as relations (i.e., areas of cooperation and conflict) among particular influential groups. However, it is difficult to discuss Russian mechanisms for exercising authority without considering the influence of society upon the decisions of government. Although ordinary people are still an object rather than a subject of policy, they exert a certain influence on decisions and actions taken by the ruling elites.

The above-mentioned issues, including the characteristics of the specific centers of government and the influence of society upon the decisions of Russian elites, constitute the core of the first part of this chapter. In its second part I attempt to distinguish the principal features of the Russian system of government. The third part is devoted to the problems of such a system. I try to answer the question: What kind of social, political, and economic reforms may be carried out in Russia taking into consideration the current existing structures and mechanisms of authority?

KEY CENTERS OF GOVERNMENT

Federal Executive Power. The president, presidential administration, and government constitute the most influential center of power in the country. They set the objectives for both the internal and external policies of Russia, and they develop projects for political, social, and economic reforms. The president—the head of the federal executive authority—is definitely the person who holds the strongest position in the country. His power stems mostly from the fact that he makes the final decision on appointments to all of the most important state posts (i.e., the prime minister, members of the government and presidential administration, and the president's representatives in the seven federal districts). The president's agenda is supported by the administration and the Security Council (officially a consultative body). He also exerts extensive control over the government. However, the constitutional prerogatives set out only a possible framework for the activity of federal executive authorities. The real areas of competence of the specific structures and the manner in which they will be used are determined to a great extent by individual resources and the predispositions of the highest state officials and, above all, of the president.

Under the rule of Boris Yeltsin the specific stages of the system's evolution were closely related to the changes in the mental and physical condition of the president.¹ The personalization of power became particularly visible after Vladimir Putin was elected president on December 31, 2000. The appearance of a new politician at the highest state post implied important changes in the manner of activity of both the government and presidential administration. First of all, the influence exerted by the president within the scope of his federal executive power was considerably strengthened. At the same time, the Kremlin was provided with new opportunities to affect the decisions of other authorities (e.g., regional leaders, the parliament). The relations between representatives of businesses and the most important state officials changed too. Although certain financial potentates are still favored by the government, their political influence was seriously restricted.

Despite significant strengthening of presidential power, Putin cannot be regarded as omnipotent. One of the important factors weakening his position is the lack of homogeneity in the federal executive bodies. Although, in a formal sense, both the government and presidential administration are loyal to the president, in fact, they are deeply divided. Before he was appointed to the post of prime minister, Putin was a state official unconnected with any political party or movement. While taking over the highest post in the country, he was not supported by any organized political force that could have helped him develop his own agenda and team. As a result, Putin's closest advisers have been rather "eclectic" from the very beginning. The divisions in the administration and government are not associated with membership in the different political parties. They are formed primarily on the basis of familiar and regional bonds or friendship between people who have worked or studied together.² Due to the informal character of these divisions the composition of particular groups and factions is highly mutable. This makes it much more difficult to identify correctly the real affiliation of particular politicians. Currently we can distinguish at least three such groups in Putin's circle:

- The first faction consists of so-called liberals declaring their strong support for free-market reforms. It includes, among others, the president of the largest state enterprise—Joint Power Systems of Russia (RAO JES Rossii)—Anatoli Chubais, and German Gref, the main author of the "Development Strategy for Russia until 2010," a study developed at Putin's request.
- The second faction, called "Petersburg," is made up of a group of Putin's confidential agents whose careers are owed to Putin. Membership in that faction depends not only on one's geographical origin (namely, from St. Petersburg) but is also awarded to former KGB members. This group is convinced of the need to create a strong state that would take control over the economic sphere. In the majority, they are devoted to the struggle against their political opponents and people criticizing Putin. The most influential representative of the above-mentioned group is a retired general of the Federal Security Service, currently the minister of defense, Sergey Ivanov.
- The third group of people surrounding the president comprises representatives of the old team of Boris Yeltsin, loyally cooperating with the current president. This group includes Alexandr Voloshin (the head of the presidential administration), Mikhail Kasianov (the prime minister), and Vladimir Ustinov (the general public prosecutor).

In May 2000, Putin issued a decree under which the Russian Federation was divided into seven federal districts governed by the president's representatives. The establishment of these districts has changed neither the

number nor the status of the existing administrative units. The new structure is aimed at increasing the influence of the Kremlin in the country and securing implementation in the regions of decisions made by central authorities.

In order to sum up the activities of Putin's representatives, it may be said that the establishment of the federal districts has undoubtedly increased the amount of information received by the Kremlin about the processes taking place in the Russian provinces. The districts, however, did not improve the efficiency of the implementation of decisions made by the federal centers.³ Introduction of another level of the state administration has made relations among Russian executive authorities even more complex.

The duties of the president's representatives, which had not been defined well enough, appeared to constitute a major problem here. According to the decree, their main task was supposed to be the "organization of the implementation by the state authorities of basic principles of internal and foreign policy by following the president's instructions."⁴ The decree did not specify, however, the manner in which such a purpose was to be achieved, nor did it provide the representatives with any specific executive power. The failure to define the scope of responsibilities of the president's representatives brought about three main consequences in federal district functions:

- First, it resulted in conflicts between the representatives and the presidential administration (in particular, with its administrative and territorial department) on the one hand, and the governors on the other.
- Second, in order to exert real influence, the president's representatives could not rely on the regulations imposed by supreme authorities and they had to establish their own mechanisms for influencing the regional authorities and federal district departments. In effect, the manner of activity and the efficiency of the particular representatives depended upon their individual predispositions, as well as contacts they maintained with people in the country and in Moscow.
- Third, the position of the representatives was made dependent, to a considerable degree, on the position held by the president himself. Due to the lack of institutional mechanisms regulating actions of the federal districts' heads, their basic trump card was the personal support of the president. In other words, both people in regions and the federal structures showed certain obedience to the president's representatives not because of the legal provisions but because of their respect for the Russian president. Such a situation means that the current position of the representatives may depend on the country's political climate. Any possible loss of influence by the president (e.g., caused by a drop in his social popularity) will, most probably, immediately affect the position and operating efficiency of his representatives.

Regional Executive Power. In mid-2000, out of the president's initiative, the parliament of the Russian Federation adopted legal acts, which significantly reduced the influence of regional authorities upon decisions made by the center. Among other things, the principles for forming the upper house of the Russian parliament, the Council of Federation, were changed. Beginning in 2002, the council does not include heads of the regional legislative and executive authorities (as had been the case previously), but only the representatives appointed by them. Under the approved legal acts, the president has also obtained the right to dismiss heads of the regional executive authorities. However, this procedure has become subject to court supervision.

In 2000, some additional actions were taken in order to restrain the power of the heads of local administrations—e.g., the amount of centrally reallocated funds was increased at the expense of local budgets, and the control of central authorities over local federal departments was made more strict. The position of governors also became considerably weaker due to the improved cooperation of the president with special services that, at any time and at the request of the Kremlin, are ready to supply materials compromising the particular regional leaders.

Despite all the changes described above, the heads of the regional administration still have considerable power. First of all, they have maintained significant influence in their regions. Their authority is based both on official capacity and on expanded networks of private connections with local business, courts, and managers of federal departments. As a consequence, heads of local executive departments have at their disposal funds included in local budgets (and it should be remembered that those budgets spend about 50 percent of the resources of the consolidated Russian Federation's budget).⁵ They fix the prices of electric energy for regional receivers, and they decide about the allocation of preferential credits or licenses for carrying out economic activity. Governors and presidents of the citizens of the Russian Federation usually exercise control over local courts and the media.

While regional leaders have very limited means to affect decisions being made in Moscow, they do have some very effective tools for exerting influence on the actual enforcement of those decisions. The power they have at the regional level provides many opportunities to circumvent, ignore, or boycott the Kremlin's decisions. In that context, the way in which political, social, and economic reforms being prepared by the Kremlin will be carried out in the future depends to a great degree upon the regional leaders.

The position of the country's elites becomes stronger due to the fact that Moscow's capability to appoint governors, presidents, or mayors is still extremely limited. The procedure for removing regional leaders, which was introduced last year, is so complex that, so far, it has not been used even once. The only case where a governor was dismissed before the end

of his term of office resembled more of an informal barter transaction than an official dismissal of a state employee by the president. In exchange for his resignation as governor of Primorskii Krai, Jevgenii Nazdratenko obtained a profitable post as the head of the Fishery Commission. The dozens of elections of governors held within the last several years have also revealed the limited capabilities of the Kremlin to influence the outcome of local elections. Contrary to expectations, the administration of Vladimir Putin did not carry out any revolution among the governors. Incumbents won almost 70 percent of the elections. Only a few winners owe their success to the president's support, such as Vladimir Yegorov in the Kaliningrad district.⁶

In defining the position of regional leaders in the Russian governmental system, one should take into account the fact that the governors have many diverging aims although in some cases they also have some common interests. The most important dividing lines run between the rich and poor regions (e.g., the latter, as opposed to the former, support the idea of increasing the amount of funds reallocated from the center), and between the republics and other regions (e.g., the republics are defending their privileged status in the Russian Federation). These conflicts overlap with both personal and geographical antagonisms. The lack of a homogeneous character among the regional elites makes it more difficult for them to participate in joint initiatives, and it allows for the Kremlin's manipulations and intrigues.

Federal and Local Legislative Authorities. The only legislative authority actually affecting the situation in Russia is the federal parliament and, in particular, its lower house, called the Duma. The role of local legislative assemblies is marginal.

Currently, there is no anti-presidential opposition in the Duma. The political orientation of the particular groups may be defined as less (CPRF, Yabloko, Right Force Alliance) or more (Unity, Home Country–All Russia, People's Deputy, Regions of Russia) loyal to the president. The lack of opposition does not, however, mean the bills submitted by executive authorities are approved automatically without being discussed or negotiated. The bills considered controversial by the particular groups of deputies are subject to long-lasting consultations, which often result in extensive amendments. In certain extreme cases (e.g., as regards the act on land ownership) the legislative procedure may even get postponed. Most of the discussions on such bills are held behind the scenes and quite frequently before the act is officially submitted. As a result, there are not many public confrontations in the parliament.

Courts. Officially, the Russian courts are bodies fully independent of other governmental institutions. In reality, they are subject to various political

pressures, and the situation is the worst in the case of courts at the lower level. Due to their actual financial dependence on regional authorities (local budgets often include additional payments to the remunerations of judges, and local authorities also usually decide on allocating flats to court employees), courts are often almost entirely dependent on executive authorities of a given administrative unit.

Higher-ranking courts, including the Supreme Court and Constitutional Court, are also susceptible to political influence. However, they are usually subject to a more subtle pressure. An example of such a situation may be the amended act on the Constitutional Court, recently adopted by the Duma, which provides for the prolongation of the judges' terms of office and exempts judges aged over 70 from the obligation to retire. The act was most likely aimed at winning the support of Constitutional Court judges and, in particular, the court's chairman, Marat Baglay. (It may not be a coincidence that the draft act was filed with the Duma one year before the chairman would reach retirement age).

The Army and Special Services. The Russian power sector does not constitute an autonomous center of government. Neither the special services nor the army aspire to take over power in the country. However the position of armed services in the Russian Federation is strong enough that the Kremlin sometimes has serious difficulties maintaining complete control over these structures.

The most vivid example of this situation is the war in the Chechen Republic. Thanks to the military operation in the Caucasus, a completely unknown person, Vladimir Putin, became, within only several months, the most popular politician in Russia and won the presidential elections in the first round. However, the Chechen war was not a single event, but rather it initiated a process in which control over one of Russia's regions became fully dependent upon the presence of the army and other power structures. It cannot be excluded that currently the armed forces purposefully use the situation in the republic (e.g., they fail to catch Chechen leaders, do not prevent terrorist acts, etc.) in order to maintain the status quo. The army's power in the northern Caucasus gives its officers the opportunity on the one hand to lobby their interests in Moscow, and on the other to take profits from the illegal businesses that flourish in the region.

The growth in importance of the security structures is largely connected with the greater representation of those sectors in the governing structures. This trend may be illustrated by the fact that five out of seven of the president's representatives in Federal Districts have connections with the army or security services.⁷

POWER, SOCIETY, AND REFORMS

While watching the Russian decision-making mechanisms, one may say that the society does not take part in the process of ruling the country. The above statement may be supported by the fact that there have been no actions taken by citizens for the last year and a half (e.g., lobbying actions of nongovernmental organizations, strikes, or manifestations), which would force the government to change its adopted political orientation. The fact becomes particularly important if we realize that during this time a military operation was initiated and carried out in one of Russia's regions, an administrative reform was implemented, and the Media-Most holding (made up of one of the most popular Russian TV channels and a number of widely read newspapers and weeklies) was liquidated.

The minimal or nonparticipation of the Russian society in decision-making processes does not mean that it is completely ignored by the authorities. Rather, the situation is quite opposite of this. Peoples' preferences and expectations are one of the key factors influencing the policies of the government. Both federal and local authorities are appointed in the Russian Federation based on the results of general elections. Although such elections do not meet all of the democratic standards, the results are usually not forged so they most probably reflect the preferences of voters. The need to confirm the mandate obtained as a result of the elections makes the authorities take into consideration at least some of the citizens' expectations. Peoples' support is also necessary not only for re-election but also as an important political trump card in the period between the elections. For example, the impressive popularity of Putin (for the past year and a half it maintained the level of 60–70 percent) considerably increases his ability to exert influence on regional leaders. The most recent local elections have revealed that governors obtain more votes if they are loyal to the president, whereas their insubordination makes people reluctant to vote for them.

As politicians are aware of the fact that strong social support is important political capital in Russia, it makes them scramble for popularity among ordinary citizens. The specific nature of the situation in Russia is based on the fact that actions taken to win the voters' support are not connected with any attempt to involve them in decision-making processes. In their efforts to gain the support of voters, politicians mostly manipulate public opinion (e.g., by promoting their views in the media, or by making demagogic statements or actions). The fact that Russian politicians fear losing voters does not make them account for their achievements in a more overt or responsible way. On the contrary, it results in the intensification of manipulation. Such a relationship between the government and society becomes an obstacle to the development of civil society in Russia. By trying to maintain maximum support from ordinary people, the authorities

(both federal and local) deprive citizens of access to reliable and correct information about the situation in the country, and they promote xenophobia. According to an analysis of the contents of messages transmitted by the Russian media, the media loyal to the authorities and, in particular, RTR and ORT TV stations not only avoid criticizing the Kremlin but they consistently implement a well-considered information strategy. Such a strategy includes among other things the creation of a positive image of the authorities and, above all, of the president, while stressing the weakness and hostility of Western democracies (in particular, the United States) toward Moscow.⁸

The system of government currently existing in Russia considerably restrains the possibility of carrying out reforms in a quick and efficient way. The institutional and personal divisions of governmental structures result in a situation where, after a year and a half of the new president's rule, the authorities have not managed to develop any coherent vision of planned changes. No complete reform program has, so far, been developed and approved. The "Development Strategy for the Russian Federation until 2010," drawn up at the president's request and regarded as a presentation of the reform program of the Kremlin, has never been accepted by the government nor has it been published as a whole.

Lack of a complete program for reforming the country can be seen in almost all of the program statements made by the president.⁹ His presentations often included contradictory statements (e.g., Putin keeps supporting liberal reforms by stressing, at the same time, the need to maintain social guarantees currently existing in Russia). The declared objectives clearly differ from the authorities' practices (e.g., the principle of the dictatorship of the law, promoted by the president, does not seem to be an obstacle to his using informal or even illegal pressure mechanisms). The lack of a coherent vision of what kind of political and economic system should be established in Russia is reflected in the character of already implemented changes as well as in currently prepared reform projects. Many of these projects try to merge the elements of the existing hybrid system with the new, more democratic and liberal regulations.

The inefficiency of the government is revealed not only at the general planning level, but also during the preparation of specific reforms. It refers mainly to transformations that would introduce sweeping social and economic changes. The legislative process is usually rather languid and confused. Most often, several projects are being developed at the same time (e.g., by the government and by governors). Then the projects are submitted for numerous consultations resulting in many amendments. If the reform project receives approval by the government or by the president, it becomes grounds for preparation of the specific acts. At that stage many long negotiations and discussions are usually held. Sometimes, before submitting it to the Duma, the deputies additionally discuss the bills. Due to

this procedure, most of the essential projects of socioeconomic reforms are still at the initial stage of development. For example, the process of restructuring Gazprom, which has been forecast for many years, has not yet been included in any homogeneous and complete project, nor have the ideas of a retirement pension or municipal or health service reforms been agreed upon. The decision on the manner of resolving the important issue of agricultural land ownership has not yet been made either.

The divisions of governmental structures as well as the corruption of people in power may slow down the process of preparing the reforms, as well as the implementation of approved legal acts. The execution of reforms is largely dependent on the activities of local authorities. Most of the regional leaders are unwilling to support any liberal reforms. Such changes would significantly weaken their influence (i.e., they would not be entitled to control the issuance of all types of concessions or reliefs). Moreover, governors would be made responsible for counteracting any negative social effects of such changes (such as an increase in the price of electric energy or rents, etc.). Therefore, local leaders are likely to make an effort to prevent the reforms, and such sabotage may prove very efficient considering their strong influence in the Russian regions.

CONCLUSIONS

On the basis of the description of the Russian authorities provided above, we may distinguish features of the existing Russian system of government. A closer look at the Russian system makes it obvious that the practice of governing differs from the existing constitutional and legal rules. Both the competence and manner of activity of the particular institutions are derived to a considerable degree from informal relations and patterns developed by the ruling elite on one hand, and from individual resources and predispositions of an official occupying a given post on the other. Although there are constitutional provisions, there is no official or organized political opposition in Russia. Power is concentrated exclusively in the hands of executive authorities. Certain influence on the situation in the country is exercised also by the federal parliament and, in particular, the Duma. Other legislative bodies (regional parliaments), as well as territorial self-government and courts, do not constitute autonomous centers of government affecting the country's situation. Often such structures are used by the people in power as tools to serve certain political purposes.

The lack of true opposition and an almost complete monopoly of executive bodies by the president and his administration do not, however, mean that there is a uniform structure of authority in Russia. Paradoxically, the pluralism of the authority of the Russian Federation does not manifest itself in the existence of an opposition to the government, nor are there

any mutually independent government institutions (e.g., courts, self-governments, etc.). The heterogeneous character of the Russian authorities stems mainly from: 1) conflicts among particular governmental structures (i.e., between governors and the president's representatives controlling them or between the president's representatives and his administration); and 2) the existence of various informal parties and influence groups, the majority of which originate in the executive power structures.¹⁰ The divisions among such groups are unofficial, as they do not result from differences in political programs but from differences in strictly private interests. It can be said that, in today's Russia, official competition between various political options has been replaced by a hidden rivalry of informal governmental groups.

This phenomenon is connected with another feature of the Russian system of government—an advanced privatization of the state.¹¹ Lack of divisions based on the difference in political programs in the Russian political arena results from the fact that officials do not accept positions in state posts for public good, but rather they treat these posts as private “assets” allowing for the implementation of one's own political and economic interests. Thus, people in power quite often take actions aimed at obtaining occasional benefits adjusted to the needs and expectations of a given official rather than for a general vision of the state's development.

Another feature of the political regime in the Russian Federation is the personalization of authority. The competence of a particular governmental body is so vague that the actual manner of functioning for a given structure is determined to a considerable degree by the individual predisposition of the official in power.

Russian governmental practices are very different from democratic standards. This does not, however, mean that power in Russia does not depend in any way on society's will. Quite the opposite: due to the fluent character of the rules of the political game, social support is an extremely important argument in the competition among the ruling elites in Russia. However, such support is obtained mainly by means of manipulating public opinion and not by the participation of citizens in the country's government.

It seems that the current system of government will not be reformed radically in the near future. Neither Putin nor his advisers have a clear vision of the political and economic system to be built in Russia. Therefore, currently realized reforms are not part of a coherent strategy but rather a result of compromises and clashes between different groups and institutions. The Russian government poses many obstacles to profound political and economic changes. It is still difficult to determine to what extent such obstacles may slow down the country's reforms. Now it seems certain that the reform process will last for a long time if such changes are made. Due to numerous unavoidable compromises and attempts to adapt the reforms

to serve the individual interests of particular officials, the results of such changes may differ considerably from the expected ones.

NOTES

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3. Bartosz Cichocki, "Przedstawiciele prezydenta—personalizacja władzy w Rosji," www.osw.waw.pl (2001).
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7. Nikolai Petrov, "Russia Under Putin," *Russian Regional Report*, vol. 6, no. 23, 2001.
8. Jadwiga Rogoz'a, "Oblicza państwowej propagandy," in *Tydzień Na Wschodzie*, February 8 (Warsaw: OSW, 2001).
9. Such statements include the program presentation, "Russia at the Edge of the Millenium," of December 29, 1999, during the conference of the post-Kremlin Unity movement; "Open letter of Vladimir Putin to the Russian Electorate" published on February 25, 2000; or two annual proclamations addressed so far to the Federal Assembly by Vladimir Putin.
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