

Putin and the Provinces

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Since Vladimir Putin became Prime Minister of Russia in August 1999, and especially since he assumed the presidency on December 31, he has placed a high priority on reasserting federal control over regional policy and politics. This objective has been a natural corollary of his focus on re-integrating Chechnya into the Russian Federation at all costs. In addition, many Western and Russian observers have pointed to his speculation about a return to direct appointment of regional chief executives as evidence that a broad federal offensive against the autonomy of regional leaders is imminent. This memo examines Putin's first steps toward a reformulation of regional policy and concludes that a direct confrontation between regional and federal leaders is unlikely to materialize in the coming months. Instead, Putin's early moves suggest a long-range strategy based on pitting provincial leaders against each other rather than provoking them to unite against the center. Harnessing powerful forces of inter-regional rivalries, this approach may well succeed in reversing the leakage of power from the center to the provinces, and it might do so by harnessing rather than stifling the subversive potential of electoral competition.

Putin and Center-Region Relations Prior to 1999

Putin has experienced the complexities of center-periphery tension from both sides of the divide. As deputy to Anatoly Sobchak in St. Petersburg from 1989 to 1996, he experienced firsthand the challenge of running a regional administration, though his duties were more focused on attracting foreign investment than on managing relations with the federal center. As manager of Sobchak's failed bid for re-election, Putin learned firsthand how federal agencies could help unseat an incumbent governor by tilting the electoral playing field (in his First Person volume of interviews published in March 2000, Putin expresses disdain for the Federal Security Service's (FSB) open involvement in that St. Petersburg electoral contest).

Once in Moscow, Putin became the chief federal watchdog over regional administrations. In this post, he acquired a formidable reputation for using the federal power of the purse strings as a disciplinary weapon, and especially for using audits as a tool to put pressure on governors who opposed Yeltsin. His move to the FSB was greeted with such alarm by regional leaders that he was compelled to hold a press conference to declare that he considered no governor to be an "enemy" of the administration. Nevertheless, it was precisely the emergence of an organized gubernatorial bloc in opposition to Yeltsin--

Otechestvo-Vsya Rossiya (Fatherland-All Russia)--that led to Putin replacing Sergei Stepashin as prime minister.

Electing and Appointing Governors

Given Putin's background as Yeltsin's "enforcer" for regional affairs, it is not surprising that his early comments about the need to strengthen "vertical authority" in Russia as part of rebuilding the state triggered widespread speculation about an upheaval in federal-regional relations. Particularly heated debate erupted over the proposal to discontinue the popular election of governors in oblasts and kraia and return to the pre-1996 norm of presidential appointment of regional executives.

Discontinuing gubernatorial elections was suggested initially by Prime Minister Primakov early in 1999 and has been included in a variety of schemes for constitutional reform circulated by groups such as the Council on Foreign and Defense Policy. Abandoning elections is a popular idea with many governors: from 1996 through 1999, roughly half the governors seeking reelection lost at the ballot box, and many of the victors in these rounds now face the prospect of forced exits due to term limits imposed by oblast charters. With few exceptions (notably Konstantin Titov of Samara), governors themselves have been the chief proponents of a return to direct presidential appointment. Mikhail Prusak of Novgorod floated the idea with two other governors in an open letter published in *Nezavisimaya gazeta* on February 25, 2000. The governors also proposed lengthening the presidential term to 7 years, and having governors appoint mayors directly, abandoning the practice of local elections.

While many observers have assumed that these gubernatorial overtures represent trial balloons floated by the Kremlin, Putin himself has been careful to disassociate himself from any plan to discontinue regional elections. He told a meeting of Siberian governors (on February 18, 2000) that "it would not be right" to go back to appointing governors, though he did hint there were other ways to "strengthen vertical management." He repeated this opinion on March 15, in an interview with a Komi newspaper: "I think that in terms of the question of whether to appoint or elect governors, we have already climbed to a certain height. The population has become used to its right to influence who will be its leader."

Putin has not tried to disavow the federal government's right to remove governors, however. Federal officials have long claimed that governors guilty of abuses are subject to removal by federal initiative provided some regional assembly ultimately ratifies the act. In effect, this amounts to a federal prerogative to impeach governors, though the federal constitution and constitutional legislation are silent on this question. In 1997, efforts by Deputy Prime Ministers Nemtsov and Chubais to force Primorsky krai governor Nazdratenko from office failed miserably after their high profile campaign triggered a rare show of unity among governors in the Federation Council. Subsequent assertions of the federal right to remove governors have placed greater emphasis on issues of due process.

Putin and a New "Divide and Rule" Policy

Since becoming president on December 31, 1999, Putin has gradually articulated the outlines of a regional policy that seeks to reassert central control over Russia's provinces without provoking a confrontation with all of Russia's regional leaders simultaneously. Putin seems to be building his new regional policy around the principle of making all regions equal rather than making all regions weaker. The subtle shift in emphasis is critical, since it allows him to use inter-regional rivalries to erode privileges granted to specific regions while simultaneously undermining the unity of regional leaders. As long as regional leaders are focused on eliminating their neighbors' special privileges, the center can reassert its authority by playing the pivotal role of "objective arbiter."

Putin's new approach has been signaled by several recent moves:

- Eliminating Privileged Regions

Putin scored a major triumph in his campaign to reassert federal supremacy during a recent trip to the republics of Tatarstan and Bashkortostan (March 22-23, 2000). In Ufa, he signed an agreement with Bashkortostan President Rakhimov securing Bashkortostan's agreement to reintegrate its tax service into the unified federal tax system. According to Putin, Tatarstan's president Shaimiev agreed in principle to a similar concession. Both republics had won the right to collect taxes independently in their 1994 bilateral treaties with the Kremlin.

The shifts by Tatarstan and Bashkortostan, if consummated, will remove two of the most glaring exceptions to the notion of a unified legal and fiscal space across the Russian Federation. The practice of independent tax collection by selected republics (Sakha has also enjoyed a similar exception) has been "revoked" annually the Duma, with little effect. Such asymmetrical treatment has continually annoyed governors of oblasts and krajs, who resent the exceptional deals secured by certain regional leaders. In Ufa, Putin tapped directly into this resentment: "All subjects [of the Federation] should play by the same rules. Earlier, when the country was at the brink of collapse, certain privileges and concessions [to specific regions] were justified. Now, perhaps, it's better to speak of everyone facing the same conditions" (Nezavisimaya gazeta, March 24, 2000).

A related issue has been the control by Tatarstan and other republics over the appointment of judges at the republican level, in contradiction to federal norms of a unified federal judiciary. In December 1996, several governors accused Tatarstan president Shaimiev of advocating "legal separatism" in resisting federal hegemony over judicial appointments.

Significantly, Putin declared that Russia would only succeed at attracting outside investment if it offers a "unified legal, constitutional and economic space." He thus suggested that the reward for sacrificing unique regional privileges would be a rising tide that lifts all provincial boats. Beyond this long-range compensation, however, we may never know if Putin secured the consent of Rakhimov and Shaimiev by offering more

prosaic inducements like targeted subsidies, credits, or other less transparent quid pro quo.

- **Governors General and Macro-Regions**

In February, Sverdlovsk governor Eduard Rossel suggested reviving the tsarist practice of appointing governors general to supervise federal policy in large macro-regions. The following month, several of Putin's deputies suggested that he was actively considering the reintroduction of governors general, and they offered two scenarios for reviving the position (Izvestiya, March 14, 2000). Under one scenario, the post of presidential representative to the regions would be transformed into a system of governors general. Such a shift would diminish the likelihood that presidential representatives--intended as the "eyes and ears" of the federal government in the regions--would be "captured" by the governors they are supposed to be overseeing. The 1997 decree reorganizing the institution of presidential representatives makes it possible for a single representative to oversee several regions--like a governor general--and such an arrangement would clearly increase the autonomy of the federal appointee. More significantly, it would force governors to compete for the attention and favors of the federal overseer.

Under a second scenario, the president would select a single governor in each macro region to serve as the governor-general for that group of provinces. Such a scheme would pit neighboring governors in direct competition for the presidential designation as governor general. It would also ensure that the eight inter-regional economic associations currently formed across Russia (which would likely be the starting point for any scheme of macro-regional territorial divisions) would be transformed into tools of federal control and not serve as arenas for regional coordination in opposition to federal re-centralization.

While his advisers may entertain plans for reorganizing the territorial structure of federal oversight, Putin has publicly opposed any plans to redraw borders of federation subjects to reduce their number. Such a plan would clearly trigger a unified response by the vast majority of regional leaders who would be dispossessed under it. Putin has been more ambiguous, however, in his attitude toward mergers of specific regions. By reviving plans for the merger of Leningrad and St. Petersburg, for instance, Putin can pit two governors against each other in vying for his support, without threatening the interests of any other regional leaders.

- **Exploiting Intra-Regional Divisions**

Putin has also displayed skill in manipulating intra-regional political competition to his advantage. In several regions, local politicians have established rival branches of Edinstvo, Putin's loosely affiliated "party of power." These rival branches, one usually headed by the governor, have then competed to demonstrate a greater loyalty to the new president.

Similarly, Putin has cultivated the support of the mayors of Russia's cities, individually and collectively. In many regions, the mayor of the capital city is the chief political rival of the governor, and by maintaining strong and direct ties to mayors, Putin ensures a counterbalance to gubernatorial power. In particular, by building a strong relationship

with mayors, Putin reminds governors that he can influence any future gubernatorial elections. In short, Putin seems prepared to undermine governors not by reclaiming federal powers directly, but by ensuring that they face competition on their home turf.

What to Expect

Putin's early moves toward restructuring federal relations suggest that we should not expect any dramatic revolution in the balance of center-provincial power. Rather, we should expect Putin to move incrementally, rolling back the specific privileges of individual regions with the support of less privileged regional leaders. We should not expect to see dramatic attempts to unseat opposition governors (of whom there are few anyway), but rather a steady manipulation of inter- and intra-regional rivalries that constantly reminds regional executives that retaining office requires the support of federal authorities. Such a strategy is likely to transform the periodic waves of regional resistance witnessed under Yeltsin into a competition to demonstrate greater loyalty to the Kremlin. If this strategy succeeds, the rush by governors to join the Edinstvo bandwagon in December and January may be just the first of many such cascades of regional support.

For international programs that are based at the regional level, this means that a period of paralyzing center-periphery confrontation is not inevitable. Instead, some regions will probably witness a more blatant effort by federal officials to use the opportunity presented by regional elections to bring a more sympathetic governor to power. A first test will undoubtedly occur in St. Petersburg, where elections are to be held in mid-May. If this effort succeeds in St. Petersburg, we can expect to see other governors facing re-election this year--in Bryansk, Kaluga, Kursk, Stavropol, Krasnodar, Pskov, Volgograd, Khakassia, and elsewhere--seek a closer working relationship with Putin.

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