

**RESEARCH REPORT
IREX STG**

**Grantee: Lynn D. Nelson
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**Russia's Evolving Federal District Structure: Implications for
Center-Region Relations, Economic Development and Civil Society**

Research Topic and Itinerary

In this project, I am focusing on the second phase of Russia's federal okrug reform by studying its political and economic implications in four regions where I have been working for several years with my research colleague Irina Kuzes. Our research regions are Sverdlovsk, the Republic of Tatarstan, Smolensk and Voronezh. Objectives that have been highlighted as central to the current phase of the reform are to broaden the authority of presidential envoys, to facilitate economic improvement, to promote local self-government and to support measures that will strengthen civil society. We are studying the process through which these objectives are being pursued at the regional level and analyzing the near-term implications of these initiatives. Our research regions illustrate several notable divergences among Russia's regions. One is an ethnic republic (Tatarstan). Two are donor regions (Sverdlovsk and Tatarstan) and two recipient regions (Smolensk and Voronezh). One of the recipient regions, Voronezh, experienced a rapid decline in its economic position during the 1990s, whereas the other, Smolensk, was struggling to establish a more secure economic position even before the breakup of the Soviet Union. These four regions are in three federal okrugs that we are comparing in the research: the Urals Federal Okrug, the Volga Federal Okrug and the Central Federal Okrug.

I visited each of the four research regions, in addition to Moscow, during the period of my IREX Short-Term Travel Grant. I interviewed key officials and interest group members in each region and collected several kinds of primary and secondary data during the visits, including newspaper and journal articles, special reports and bulletins, and data of several kinds that are collected by regional research institutes. In Moscow, I also interviewed a number of officials, leaders in the economic sphere and policy analysts. I completed background and scheduling work, interviewed 59 individuals in the five locations and collected additional data with the following itinerary:

Moscow: May 15-June 1; June 6-14; June 27-28; July 5
Voronezh: June 3-4
Ekaterinburg: June 19-21
Kazan: June 23-26
Smolensk: July 2-3

Policy Significance and
Scholarly Impact of the Research

With institutional change its primary focus, our research inquires into the balance of authority between the federal center and the regions. Relations between Moscow and the regions continue to present a strong challenge as Russia moves forward with political and economic reform. Questions that we are addressing in this research are fundamental to assessing the effectiveness of President Vladimir Putin's administrative reform, which clearly

aims to fundamentally restructure both political and economic relations throughout Russia. Is the initiative serving the interest of federalism? Is it showing potential to effectively promote economic improvement? What are its implications for civic involvement?

The current transformations in territorial and administrative structure are critical to Russia's ongoing reform effort, with important implications for United States policy toward Russia. Research into the course of the administrative reform can usefully inform efforts to promote democratization by suggesting types of external support that may be needed. The analysis of interest group activity – among business interests, the media and political actors -- is a prominent feature of the research, and we hope through this inquiry to learn more about factors that promote the strengthening of civil society.

Research Methodology

In this phase of the project, I interviewed officials and political leaders, interest group representatives and individuals from the mass media and business following an open-ended thematic approach that I have used in these regions repeatedly since 1992. I begin each interview with a set of themes that I want to address, based on the position and experience of the respondent, and I formulate new questions and extend the inquiry into additional areas based on the information that I am gathering. I always identify the first respondents in each region and sphere of activity according to their prominence in my background research (a largely positional identification process), and the list of interviewees is expanded with information that I gather during interviews, using both reputational and positional indicators. I have found this approach to be useful for highlighting and examining in depth facets of institutional change and interest group activity that are not obvious before field work begins. I take detailed notes during interviews and study them each evening after the interviews have been completed. I frequently contact the respondents a second time and sometimes interview them again to expand on a subject that study and additional interviewing suggest to me as the analysis continues in the field.

We are analyzing the data gathered in 2002 in light of information that we have been collecting for more than a decade concerning economic and political change in those regions and in center-region coordination. Those data include interviews with more than 5,000 respondents – among them being political and opinion leaders at the federal and local levels, directors of privatized enterprises, privatization administrators, and mass media workers.

Preliminary Findings and Conclusions

It is too early to detail the overall results of our 2002 research. We are still analyzing the information we have collected and interpreting it in light of earlier waves of data collection. It is clear that the federal okrug reform is influencing economic and political life more in some regions than in others. To a degree, these differences can be explained by local conditions and leaders. Also important are the different administrative approaches of the seven federal envoys, whose work in the federal okrugs is hardly uniform from one okrug to another.

A number of problems are evident as the reform continues to evolve. The presidential envoys lack a clear legal basis for pursuing objectives that are central to their work. Notably, they do not actually have formal authority over the federal offices they are expected to coordinate in the regions. Additionally, although substantial progress has been made in bringing regional laws into compliance with federal laws, this development has had little effect on political and economic life in the regions. Laws are often not being obeyed. Thorny issues persist

concerning the status of republican constitutions and bilateral treaties between some regions and Moscow, with indications that they may not soon be resolved. Finally, in spite of an emphasis on developing civil society, the federal envoys tend to lack clear direction as they work to promote more civic engagement.

Against the negatives can be matched a series of successes and promising possibilities for the federal okrug structure. Many analysts and policy makers have pointed out that the current system of 89 subjects of the federation is itself unwieldy and fraught with inconsistencies. It is a structure that was inherited from Soviet times, and it carries more political than economic meaning. Many believe that the time has arrived for fundamental territorial restructuring – a perspective that is underscored by the passage of recent legislation that permits subjects of the federation to join together voluntarily to create larger units. In this context, the on-the-fly planning that currently characterizes federal okrug management can be seen as a reflection of the transitional nature of Russian society in the first decade of the twenty-first century.

It is widely believed that governors and republican presidents did command too much power under Yeltsin, and that the fiefdoms many of them created needed to be brought under control. The federal center was arguably too weak for either political or economic reforms to be implemented effectively, and the new structure with seven federal okrugs headed by presidential representatives has already changed the balance of power. Clear signs are evident that point toward further strengthening of vertical authority, through a path of negotiation and compromise that seeks to identify workable approaches. Whether the pendulum will now swing so far in the other direction that federalism will be imperiled remains to be seen.

Future Research Agendas and Policy

The changing nature of center-region relations requires research along several dimensions if its implications are to be understood – only some of which involve the activity of the presidential envoys. More inquiry is needed into interest group dynamics in the political and economic spheres. Because civic engagement has not been widespread in Russia until now, analysis of political socialization processes could highlight features of the educational system that require redesign if the goal of broad-based civic involvement is to be realized. We will discuss additional research needs and policy implications of our work in future published reports of our research results.