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The Mechanism of Representation of Regional Interests at the Federal Level in Russia: Problems and Solutions

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ABSTRACT *The low functional effectiveness of institutions of regional representation is an urgent issue for the Russian political system. The Russian system of bi-cameralism is in crisis because the Federation Council has, to a large extent, lost its function as a body of authority representing regional interests due to the current practices of delegating senators. There are also problems related to the role of the Federation Council in the law-making process and division of competencies between the two houses of the Russian parliament. The fact that it has become virtually impossible to create regional parties in Russia is yet another obstacle for regional representation. The functions of the State Council and the Council of Lawmakers are very limited, not specified in legislation and reduced to the purely consultative. As a result, the balance in the centre-region relations is distorted, though retaining situational stability because of the absence of meaningful regional impulses able to offset the balance of power.*

KEY WORDS: Regional policy, federalism, bicameralism, interest groups, regional participation, uneven development, clientelism, regional lobbyism, centralization

Introduction

As far as institutions of regional representations at the federal level are concerned, other forms of representation, related largely to informal practices, are on the rise. Among those, first of all, is regional lobbyism carried out by regional elites on an individual basis along the lines of patrimonial-clientelistic relationships. It is not regional representation institutions, but vertically integrated clienteles that are becoming the most important element in the relations between the centre and the regions. This tendency is a consequence of a general domination of patrimonial-clientelistic type of relations in Russian politics and their penetration into the sphere of regional politics.

Regional Influence in Federal Legislative Power

As political practices elsewhere in the world show, regional representation is usually institutionalised at the national level through legislative authority structures. Such a

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practice is connected with fundamental peculiarities of legislative power which is meant to represent interests of citizens, i.e. indirectly those of regional and local communities. The number of seats on the national assembly, rather large as it is, reflects the number of regional and local communities quite adequately. This is an important difference that sets the legislative power apart from a more compact executive power, where the representation of regional interests is not usually institutionalised. In the legislative body regional interests can be formally institutionalised, which is characteristic of federations (a separate house in a national parliament where regional representation is either based on equal representation or, less often, on quotas).

We should not forget, however, about informal, but nonetheless rather obvious, ways of institutionalising regional representation that exist in virtually any state. They involve differences in organising the election process in the territories – creating a network of majority constituencies and offering territorial party lists.

While analysing institutions of regional participation in modern Russia, one should bear in mind the sequence of development of such institutions in previous historical periods. In the USSR regional participation was institutionalised through the structure of the legislative power and had certain specific features due to an ethnicity-based principle on which Soviet federalism was founded. Regional bi-cameralism in the USSR existed in the form of the Council of Nationalities, where territorial and ethnic units were represented on a quota basis depending on the level of a given entity. The first experience of forming the Council of Nationalities in accordance with the 1924 Constitution shows a lack of clear understanding of the hierarchy of ethnic and territorial autonomies. All republics – both union and autonomous that were part of the former – had an equal number of representatives, five (which played down the entities' status differences). However, three small Caucasian autonomous republics (Abkhazia, Adjaria and Nakhichevan) and ethnic and territorial entities of a lower level (autonomous oblasts) had only one representative to the Council of Nationalities.

A clearer inequality in representation quotas for ethnic and territorial autonomies was introduced in accordance with the 1936 Constitution and remained unchanged until the collapse of the USSR, i.e. for about 55 years. The stability of this model, which was introduced under Stalin, was reinforced by the fact that the 1936 formula was adopted in the new Soviet Constitution of 1977. The 1936 Constitution created a clear hierarchy of representation of ethnic and territorial entities in the Soviet national assembly:

- 32 delegates from a union republic;
- 11 delegates from an autonomous union republic;
- 5 delegates from an autonomous oblast;
- 1 delegate from an ethnic (autonomous) okrug.

Besides, the Chairman of the Presidium of the Supreme Soviet of the USSR had vice-chairmen, each of which represented one union republic. It should be noted that the Soviet model pre-supposed partial institutionalisation of regional representation in the executive power: heads of republican councils of ministers were *ex officio* members of the all-union cabinet. Local entities participated through elections to the

Sovet Soyuza (Union Council) based on the majority principle. It is important to point out the equality of both houses of the all-union assembly, which was specially emphasised in 1977 by introducing a new by-law making the number of delegates in both houses equal.

Thus, formal regional representation in the USSR was well-developed. It was conceptually based on an understanding of the USSR as a multi-level system of ethnic and territorial autonomies of various statuses. All autonomies were represented in the all-union assembly, but 'ordinary' territorial entities, such as krays and oblasts, did not have direct representation, being only represented via their union republic. In additional, the Russian Soviet Federative Socialist Republic (RSFSR), although identified as a federative republic, had a uni-cameral parliament, just as other union republics. The autonomous republics, oblasts and okrugs that were administrative units of Russia were directly represented in the Council of Nationalities of the USSR.

Federation Council: Form and Content

After the collapse of the USSR as a result of attempts to re-establish Russia as a new federation various institutions of federalism, including regional bi-cameralism, were copied from abroad. Similarly to the introduction of elected governors, the centre of 'borrowing' was the USA. This stresses the specificity of the structure of the Federation Council established in Russia in 1993. As in the US Senate, despite vast population differences (even more than in India where there regional representation is based on a quota principle) each entity is represented equally. The use of the equal representation principle for all entities in the federation weakened the influence of the most politically active entities, the national republics (which in the post-Soviet time were devoid of a special status[1]). Just like in the USA, each region is represented by two senators (this decision was influenced by the fact that there were too many federal entities in Russia, and the adoption of a different principle, a higher quota, would have made the Federation Council very bulky).

The use of equal representation of entities is a formal criterion signifying a high level of development of regional influence in a national parliament. This is further stressed by the fact that the Federation Council in Russia is also known as the upper house. At the same time regional participation in the Russian parliament is characterised by significant limitations:

- The status of the Federation Council as an upper house is a formality. The hierarchy of the houses and a higher weight of the Federation Council are only nominal and do not mean that in practice the regional house commands greater power resources in Russia. The hierarchy in the relationship between the two houses of the Russian parliament is determined by specific features of the law-making process (the Federation Council approves or rejects the laws passed by the State Duma) and the scope of authority of the regional house (a number of functions of top public importance). Most of the law-making process, however, takes place in the State Duma, which allows the Federation Council to merely steer the legislative process by introducing amendments in the spheres of budget and taxation that are critical for the regions.

- The influence of the regional community on the formation of the Federation Council is limited and indirect. The elections to the upper house, which took place in 1993, were the first and the only elections because they were carried out in accordance with transitional articles of the Constitution. The Constitution itself stipulated that the Federation Council should be comprised of members delegated by regional bodies of power.[2]

Just like in the case of establishing regional power, the Russian Constitution of 1993 provided a large leeway for changing the way the Federation Council is formed, and with it the real level of regional participation.

During the first stage (1994–1995) members of the Federation Council were elected, which made it resemble the US Senate. In this period regional influence in the Russian parliament could be described as being at the highest level, because representatives were elected directly by regional communities. However, in practice the 1993 Federation Council election created certain limitations. The Federation Council was meant as a temporary body, with heads of regional administrations as its backbone. In its turn this not only went against the principle of the division of branches of power, but also gave *ex officio* membership to heads of regional administrations who had been appointed by the President. In effect, being regional in form, the first Federation Council to a large extent consisted of regional level bureaucrats appointed by the centre. Out of the 42 heads of regional executives who were members of the Federation Council, 31 were appointed by the President. Among presidential appointees were also five plenipotentiary representatives of the President in various entities of the federation and four mayors of regional administrative centres. Thus, almost a quarter of the 171 senators elected on 12 December 1993 were presidential appointees. Apart from those, five members of the Russian cabinet added weight to the influence of the centre in the Federation Council. On the other hand, there were popularly elected regional leaders (11 senators) in the Federation Council, as well as leaders of some republics which at that stage adopted a parliamentary form of government.

Thus, the first election to the Federation Council failed to set up a strong regional influence. It should be noted that the first deputy prime minister of the Russian government V. Shumeyko, who had won his seat in a 'non-native' constituency, Kaliningrad Oblast, himself being from Krasnodar Kray, was elected chairman of the upper house. At the same time, despite all the differences in status and, hence, personal dependency on the centre, the overwhelming majority of the members of the Federation Council at that stage represented regional elites. Only in two regions high-profile officials from Moscow were elected into office. The actual regional representation was quite balanced: we estimate that 12 members of the Federation Council were Muscovites (including senators for Moscow and Moscow Oblast and those who were originally from elsewhere and had run for the office in their home constituencies).

Regional influence in the federal parliament becomes stronger in the second period, lasting from 1996 to 2000. On the one had, due to the abolition of direct popular elections, at this stage regional communities lost direct influence over the formation of the Federation Council.[3] On the other hand, however, representatives of regional elites, having access to the greatest power resources and popularly

elected – elected governors and speakers of regional assemblies – become *ex officio* members of the Federation Council. Actual regional representation became even more balanced due to extremely rare instances when representatives of the central elite won gubernatorial seats (Aleksandr Lebed in Krasnoyarsk Kray). It is at this stage that the Federation Council is believed to have had the strongest political influence in Russia.

The next stage that started in 2001–2002 and is continuing today is, on the contrary, characterised by a significantly weaker regional participation. The Federation Council reform is a clear testimony to this statement. According to the law enacted in August 2000, the Federation Council is to be comprised of permanent full-time representatives nominated by the executive and legislative bodies of the federal subjects respectively. Rotation in the Federation Council was gradual and was completed at the beginning of 2002 (by 1 January 2002 all *ex officio* members' terms in office had expired, as stipulated by the law).

Under centralised conditions characteristic of the 2000s, regional bi-cameralism in Russia has transformed and become totally atypical of a federative state. One of the most obvious changes at this stage was a diminishing power resource available to the Federation Council members at the regional level: governors and regional assembly speakers were substituted by representatives of the branches of power. The scope of real changes, however, becomes clearer after studying the practices of forming the Federation Council after the 2000 reform. As our analysis shows, actual regional representation in the Federation Council diminished sharply and with time plunged below the threshold above which one can expect qualitative changes in the activities of the upper house as far as its representation of regional interests is concerned. As early as in mid-2001, i.e. when rotation was at its peak, according to our estimates the share of Muscovites exceeded 26% of all members of the upper house. At various points in time during 2002–2003 this number fluctuated within 30–37%; on top of that representatives of the central elite were also appointed to most of the leading posts in the upper house. By 2006 more than half of the leadership roles in the Federation Council were played by members of the capital elite. In practice this meant that the Federation Council had effectively stopped being a body of authority representing regional interests. A transition to 'soft' gubernatorial appointments (upon prior consultations with the regions) boosted this tendency, since with each new appointment more and more seats on the Federation Council were taken by senators appointed by governors, who in their turn had been appointed by the centre – by the head of state.

The Federation Council has lost its functions as a body of authority representing at the federal level the interests of regional power elites, let alone regional communities. This fact it further emphasised by the alignment of forces in the Federation Council leadership. Most of them were promoted from the ranks of the Moscow elite, as well as from St Petersburg, a city which under Putin has been playing a leading role in Russian 'elito-genesis'. Half of the Federation Council committee chairmen, the house speaker and two of his four deputies represent the Moscow and St Petersburg elites. In other words, both capital elites, from Moscow and St Petersburg, hold a 'controlling interest' in the leadership of the Federation Council.

From the point of view of the regions, this situation requires thorough explanation which cannot be reduced to a mere declaration of 'dependency' and 'obedience' of

regional bodies of authority, being forced to agree with personnel initiatives of the centre which has taken upon itself the formation of the senatorial corps. The causes of such changes are connected with further centralisation of power, a higher dependency of regional authorities on the centre, which has given the latter an opportunity to push its representatives through into the Federation Council upon agreement with regional authorities. As a result, the major peculiarity of the informal structure of the upper house has become the representation of interests of various federal political and financial-economic groups. The regions in this situation have changed the mode of their relations with the Federation Council. Instead of regional interest representation through members who were originally from the regional elites, a different approach has arisen, reflecting the acceptance by the regions of the actual centralisation of power and resources – 'hiring a capital-based lobbyist' to promote the work of the delegating territory or the interests of a particular regional power group. Patrimonial-clientelistic links between senators of Moscow and St Petersburg origin, on the one hand, and leading regional power groups, on the other, have become a *modus operandi* of the Federation Council as far as the centre-regions relations are concerned. A shaky balance in the new status quo is now connected with the assistance coming from lobbyist senators 'hired' by the regions. As practical experience shows, some senators do carry out this function, while others do not get involved in regional issues at all.

In its new form the Federation Council is far from being effective. Our analysis reveals that senators are hardly involved in promoting regional interests: there is no direct link to the communities, as senators are no longer elected. At the same time, a senator's effectiveness *vis-à-vis* the regional elites varies from region to region. On average, it is determined by the actual influence of the Federation Council as a body of authority on the legislative process and Russian politics as a whole, which is rather weak (as defined by the functions the Federation Council plays in the legislative process). The senator's actual status, coupled with their real influence, remains low. At present, the senatorial corps has a well-established 'core' of representatives from medium-sized (in Russian terms) businesses. Some leading Russian financial and industrial groups (Yukos, Interros, Bazovyj Element etc.), who secured their own representation in the upper house shortly after the reform, are at present virtually absent from the house. A Russian senator is not and cannot by definition be an effective lobbyist of regional interests, unless they are integrated into a powerful federal clientele represented in the executive power. Such senators, however, are scarce.

A senator's effectiveness in dealing with regional political problems at the federal level, for example gubernatorial appointments, is also questionable. There have been instances when a senator who is influential in the capital withdrew his support to 'his' governor and retained his post after power changed hands in the region. This happened in Irkutsk Oblast, where one of St Petersburg's interest groups facilitated a change of governor in their interests, while the influential senator close to the group, Mezentsev (deputy speaker of the Federation Council) was reappointed by the succeeding governor. As practice shows, once a federal official, a senator becomes 'untouchable', a change of power in the region does not necessarily lead to a change of senator. Such a practice of appointment takes away the incentive for a senator to work with the regional elites.

In Russian politics clientelistic practices, amended by the centralised conditions, have found their realisation in the form of 'partial compensations' to governors and speakers of regional assemblies for their 'losses' in the Federation Council. As a result, in the system of Russian regional participation we have seen the creation of institutions such as the State Council subsequently, the Council of Lawmakers. Thus, the regional elites have been given a way to participate directly in federal policymaking. This opportunity, however, is very limited, since the State Council and the Council of Lawmakers are consultative bodies and have no decision-making power. In reality, the State Council, a more powerful body headed by the President, provides regional leaders with a chance to lobby their interests and, partially, the interests of their regions, at the federal level. After a transition to gubernatorial appointments rather than election, the role of the State Council as a regional representative body has been reduced even further.

In practice, especially since governors started to be appointed by the President, the role of the State Council has been reduced to unofficial lobbying of private interests. These interests are rarely of regional relevance, especially after gubernatorial elections were abolished. Among such interests is, for instance, a governor's personal publicity campaign, which becomes possible if he manages to lobby through a decision to hold in his region a field session of the State Council or its Presidium, deliver a speech or chair a State Council working group. After the abolition of gubernatorial elections, governors' interest in their popularity with the general public as a whole has declined.

As far as the actual authority of the State Council is concerned, it is capped by its low status. The Council's attempts to launch various initiatives have traditionally been neglected by the government, which does not take recommendations of this consultative body on board. The President, being a key figure in determining the fate of such initiatives born in the depths of the State Council, has not been too keen to see them through. As a result, the work of the State Council has become rather a formality, which is reflected in the low priority issues under consideration, agenda repetition (for instance, the State Council once had three field sessions devoted to agricultural development within one year), lack of practical results after the State Council recommendations are adopted by federal executive and legislative bodies.

Whereas the work of the State Council at least receives thorough coverage by the media (one reason for this is that participation in the State Council is part of the President's personal publicity campaign), the work of the Council of Lawmakers is far from the spotlight. This body could have a high potential (dialogue between federal and regional legislators), but it is not fully utilised and there are no signs of any significant influence of the Council of Lawmakers on the national legislative process. This, by the way, is proved by the fact that most initiatives coming from regional legislatures are repeatedly rejected by the State Duma.

Presently, neither the State Council nor the Council of Lawmakers facilitates the creation of a fully fledged feedback mechanism between the centre and the regions. Instead, they facilitate clientelistic relations between some federal and regional politicians for resolving private matters that usually have nothing to do with regional interests. On top of that, these bodies themselves have become an example of inefficiency and archaism of the Russian regional politics, which is based on the so-called 'manual transmission' principle. Repeated contacts between the President and

the governors in the framework of the State Council or as private meetings are a consequence of an ineffective division of responsibilities, the centre's traditional mistrust in regional elites, and an instinctive desire by the central power to have direct control over the situation at the grassroots, which in its turn renders an effective distribution of capabilities and resources of the centre virtually impossible.

Hence, there has been a marked tendency towards diminishing regional influence in the Russian parliament since 2001, which is connected with a sharp change in the structure of actual regional representation in the Federation Council in favour of the capital elites and low effectiveness of the compensatory mechanism in the form of the State Council and the Council of Lawmakers. Under these conditions the significance of the State Duma in representing regional interests in federal bodies of authority has come to the fore.

The State Duma: Is Regional Revanche Possible?

Let us consider the specificity of regional participation in the composition of the lower house – the State Duma. Over the period of 14 years, from 1993 to 2007, the State Duma has been formed by means of a mixed election system, when half the deputies are elected on party lists, and the other half in single member constituencies. Global experience shows that single member constituencies serve to provide representation of local interests. In practice the size of such constituencies can vary to a large extent: in some cases they coincide with large municipal entities (Tula, Barnaul, Saratov and other cities), in others they can be part of a larger city (Ekaterinburg, Chelyabinsk, Nizhny Nogvorod etc.); additionally they can be comprised of several smaller towns and districts.

The way constituency borders in Russia were drawn in the beginning reflects an important concession to all federal subjects, which takes a step away from the principle of equality among constituencies in terms of the number of voters. Each federal subject in Russia, even the smallest one, has at least one constituency. This is a way of equalising regional representation in the lower house – in the form of a minimum guarantee that each federal subject will have its representation in the State Duma. At the same time the Duma does not maintain an inter-regional balance, since it cannot (and is not intended to) create equal or comparable regional representation (such a task should be carried out by the Federation Council). In Russia, with its vast variations in population among the federal subjects, their representation in the State Duma differs considerably.

On the whole, the distribution of seats in the State Duma is in favour of larger federal subjects. In all Russian elections the number of constituencies in the federal subjects has differed by a factor of 15 (from 15 in Moscow to 1 in a large group of federation subjects). A slightly stronger polarisation should also be noted among the federal subjects, when due to changes in population some regions have increased their representation, while others have decreased. The number of regions with only one constituency rose from 35 in 1993 up to 38 in 1995 and 1999 (constituency borders and size were not changed in 1999) and 39 in 2003. Certain northern and eastern regions where the population has been falling have been 'losing' constituencies. In the 2003 elections the largest number of constituencies were formed in Moscow (15), Moscow Oblast (11, in 1993 – 10), St Petersburg and

Krasnodar Kray (8 each), Rostov and Sverdlovsk Oblasts (7 each), Bashkiria and Nizhnij Novgorod Oblasts (6 each), Tatarstan, Samara Oblast and Chelyabinsk Oblast (5 each).

Nominal regional representation somewhat differs from actual representation because of a growing number of cases when the electorate give their votes to a representative of the Moscow elite (similar to the situation in the Federation Council, but not as strongly marked). These instances, however, are not numerous, and single member constituencies traditionally played a very important role by offering regional politicians with close links to their territories a chance of representation in the State Duma. Our estimates show that politicians who had not had links with their region prior to the elections, in 1993 won in 9 constituencies out of 225 (including Moscow Oblast, where it is Muscovites who often run and get elected), in 1995 – in 12 constituencies. Our analysis of candidates' regional origin in the 1995 election showed that at that stage the dominating electoral principle in constituencies was nomination of a 'local' candidate. The majority of candidates in single member constituencies (1,520 out of 2,628, or 57.8%) resided in the territory of the constituency (Kolosov & Turovsky, 1996). As for the rest, they were typically from administrative centres of federal subjects but ran in a different constituency in the periphery. The only exception was Moscow, and this reflected a deep gap between the centre and the periphery: those living in the capital made up almost one-fifth of all candidates; 305 Muscovites ran either in the capital or Moscow Oblast, whereas 219 candidates from Moscow decided to get nominated in the regions. As the results of the elections showed, they managed to secure a victory in only a handful of cases. The analysis of the election results revealed a certain St Petersburg influence, which, however, was limited to Leningrad Oblast only. Outside the oblast, only four candidates from St Petersburg decided to enter the race.

A significant rise in the number of successful candidates representing the capital elite took place in 1999. The number of such constituencies rose to 29. It is curious to note that in 2003 this figure did not change much, remaining at approximately the same level – 26, with an addition of one more constituency where the successful candidate was from a different region, not from Moscow (originally from Tatarstan, he became the deputy for Koryak autonomous oblast).

Thus, as a whole, deputies from single member constituencies in Russia provided solid, though rather uneven, representation of regional and local interests in parliament. Such a situation corresponds well with common practices elsewhere in the world, when regional elites under the conditions of federalism and bi-cameralism are often more, not less, interested in the lower, 'non-regional' house. An active participation of regional elite representatives in the 2003 Duma elections partially made up for the losses following the weakening of regional influence in the Federation Council (in this connection it is curious to note the absence of positive growth dynamics in the number of representatives of the capital elites who won seats from regional constituencies in the period 1999–2003).

Deputies from single member constituencies, however, make only half the MPs in the State Duma. The rest of the house is formed from party lists. 'Regionalisation' of proportional representation in other parts of the world is achieved by putting forward party lists from territories. In Russia such a practice was introduced only partially, which has led to a marked 'centralisation' in elections on party lists and the

use of party lists in the interests of the capital elites. As a rule, a contesting party or movement divided their list into a relatively small federal part and regional groups (in the latter, the party at its own discretion included either separate federal subjects or their groups). Representation of the capital elites was secured both on the federal list and by 'transfer seats' on the regional list. In Russian experience, the electorate rarely pay much attention to whom a party puts on its regional list. Our research shows that there are very few instances when popular local politicians, being at the top of a party's regional list, attracted additional votes. On the Russian political scene there is a popular belief that the electorate are more receptive to a party's 'brand', i.e. its ideological position, while the role of the leaders is more relevant for smaller and newer parties. Under this approach the system of proportional representation did not give any chance to equalise and balance regional representation among Duma deputies were elected to party list seats.

Along the general trend of further centralisation in Russia, parties have also been developing more centralised characteristics. This has been expressed in attempts to strengthen intra-party hierarchy and control over their regional branches. Their recruitment policy has also been under the influence of a resource gap between the centre and the regions, since the most influential party figures have been figures from the capital. So, the parties had to put members of their central apparatus into the State Duma. Similarly, the main sponsors included on party lists, as a rule, came from the capital.

The degree to which parties and their 'list' representation are centralised varies significantly. The latest election results reveal that regional elites secured representation mostly on the United Russia and Communist (CPRF) lists. These two parties are, in effect, the only genuine national parties in Russia. Let us refer to the results of the 2003 election. On its lists, United Russia secured 120 parliamentary seats, almost half out of which (54) went to Muscovites. The most regionalised was the winning part of the CPRF list: out of the 40 seats secured by the party on proportional representation, 16 were won by Muscovites. As we see, the share of Muscovites representing these parties is very high, but at least it is less than half of all party seats, i.e. even on party lists the majority of the winning candidates represented the regions. For comparison, Rodina (Motherland) won 29 seats on its list, and 24 of those were taken by Muscovites. On the Liberal Democratic Party (LDPR) list 18 Muscovites and 3 representatives of Moscow Oblast (out of 36 seats) became Duma deputies.

As far as other regions, except Moscow, are concerned, United Russia candidates were most successful in two. In Tatarstan, always giving high election support to the 'party in power', seven United Russia deputies secured seats in parliament (in addition, several Muscovites were originally from St Petersburg). Besides, a noticeable number of United Russia candidates won in Novosibirsk Oblast (four), Bashkiria, Krasnoyarsk Kray, Kemerov Oblast, Moscow Oblast and Chelyabinsk Oblast (three each).

It should be noted that United Russia candidates often ran in a different regional group, and this applies not only to Muscovites. For example, Kemerovo Oblast representatives won seats in the Central and Western territorial group (Central Russia), Krasnodar Kray representatives were successful in Bashkiria, those originally from Saratov Oblast secured seats in the Duma from the Chernozemye

(black earth) regional group etc. For United Russia, regional groups were merely a formal means of distributing winning seats between most influential candidates. Regional groups were most often headed by governors, which helped mobilise the electorate; but because governors refused to accept parliamentary seats, they could be allocated to representatives of Moscow, St Petersburg or other regions who were not included in the three regional party candidates on the ballot sheets. Such a mechanism allowed parties to pull through representatives of Moscow, St Petersburg or other regions who were not officially part of the winning group of candidates.

The results of State Duma elections in the majority and proportional system make it possible for regional lobbies to be formed. Regions with many constituencies and more supporters from the leading parties have a higher chance of victory. Apart from Moscow, which secured over 30% of seats in the State Duma, we can single out St Petersburg with its 23 deputies (over 5% seats).[4] St Petersburg representatives won seats in eight 'native' constituencies and three Leningrad oblast constituencies, pulled through six United Russia nominees, three CPRF candidates, two representatives of Rodina and one from the LDPR.

Two other regions have formed meaningful regional micro-groups (over 10 deputies) – Tatarstan, which was mentioned above, and Rostov Oblast (with its seven constituencies). Each region is represented by 12 deputies. However, micro-group unity should be taken into account. Here, Tatarstan can be rated third, since all its 12 deputies are members of United Russia. Among other 'conspicuous' regions is Krasnodar Kray (14 deputies as well as several Muscovites who were originally from this region), but its deputies are fragmented, with the majority belonging to the CPRF and Rodina. Bashkiria, as well as Nizhny Novgorod, Novosibirsk, Saratov and Chelyabinsk Oblasts have a good potential for creating regional lobbies in the Duma (they each have 9–10 deputies).

The actual influence of regional lobbies in the Duma, however, is not determined by the number of deputies, nor by their unity, but rather by their inclusion in leadership structures. St Petersburg's leadership is emphasised by the fact that the post of Duma Speaker is held by Boris Gryzlov of St Petersburg (similarly, the Federation Council Speaker is S. Mironov, who also represents his region). The role of Tatarstan is also noticeable (one of the two deputy speakers O. Morozov). At the same time there are certain curious shifts from larger regions to smaller in terms of the number of deputies. For instance, Krasnodar Kray and Rostov Oblast are less influential than Stavropol Kray, whose representatives became chairs of the Budget Committee (Y. Vasilyev) and one of the four United Russia factions (Vladimir Katrenko, who is also one of the deputy speakers). The role of Saratov Oblast has become more prominent than, for example, that of neighbouring Saratov (first deputy speaker L. Sliska, deputy speaker and one of the key party leaders V. Volodin). As a whole, however, the regions are widely and diversely represented in Duma leadership and its committees, which stresses the importance of the lower house of the Russian parliament for actual representation of regional interests in the centre. Thus, a paradox arises: the regional elites are better represented in the State Duma than in the Federation Council.

After 2007, however, this situation from the point of view of regional interests is expected to deteriorate. It is clear that elections based on the proportionate system in Russia do not further regional influence in the Russian parliament. This is caused by

the nature of the elections and party lists, as well as centralisation practices in the parties themselves, which are interested in pushing their capital-based elites through into parliament. Up to now this tendency has been balanced by elections in single member constituencies, but in 2007 these elections will be abolished. The proportional system in its new version is a compromise and balanced only partially. It divides the country into party constituencies whose borders are determined by the Central Election Commission (CEC). Larger regions will be divided into two or more party constituencies,[5] which resembles the former map of single member constituencies (though it looks larger). Under the new CEC scheme a party will have limited authority over the territorial structure of its regional branches (in most cases a party has to provide its lists in those constituencies that are proposed by the CEC).

The new election system is favourable to larger regions which will have more party constituencies in their territories (upon condition that the leading candidates on their party lists are representatives of the regional elites, which is not always the case in present-day Russia). At the same time, its lack of guarantees of Duma representation to smaller federal subjects sets it apart from the previous system. Under the new proportional election system, regions with the smallest number of voters will run the risk of losing their seats altogether, while the advantage of larger regions may turn out to be relative. Each party will have to balance between the need to attract votes by choosing popular local politicians (who will be selected as the leading candidates on regional lists) and the need to make sure their capital-based leaders are elected (they will be advertised as potential lobbyists). Taking this into account, the tendency among the territories to hire leaders of regional groups as lobbyists is likely to strengthen in the lower house as well.

Thus, imbalances in regional Duma representation after 2007 will become more marked. It can be expected that representatives of the capital-based elites who are able to secure seats from regional groups will continue to play an important part in the State Duma. It is also possible that the share of Muscovites (including those formerly from St Petersburg) in the Duma after 2007 will exceed 50%, and in this case the lower house of parliament may lose its advantage in favour of the regions and become more similar to the upper house.

Regional Influence and Centralisation in the Federal Executive Authority

Let us consider the specific features of regional participation in the functioning of the federal executive authority. As global experience shows, the equilibrium in those structures is upset because it is impossible to provide equal representation to all territories. The equilibrium can be restored by means of carrying out regional policies that are devoid of regional favouritism and aimed at smoothing out interregional differences.

In the Russian political system clientelism plays an important role (Russian democracy is often referred to as being clientelistic), which in the centre-regions relations means the formation of vertically integrated clienteles (author's term) which include federal patrons and regional clients. This situation can be characterised as regional clientelism (see Afanasyev, 2000). The most conspicuous are clienteles under patronage of federal officials who used to be natives in the region in question. This, however, does not rule out the formation of more geographically

diversified client networks, the presence of which, in its turn, helps minimise disproportions caused by the lobbying of interests of a particular region.

The analysis of the Russian executive authority reveals that vertically integrated clienteles and the formation of groups based on origin in the centre have been playing a significant role, inducing balance shifts towards certain federal subjects. A determining significance under the conditions of a super-presidential republic is the regional origin of the head of state.

Under Yeltsin, the former Communist party leader of Sverdlovsk Oblast, politicians originating from this large industrially developed key Russian region had much influence. Their role was especially prominent in the first years of Yeltsin's presidency when the principle of origin was commonly considered important, or even dominant, in team formation. The key posts in the state were held by G. Burbulis (State Secretary in 1991–93, also first deputy prime minister for a certain time), O. Lobov (first deputy prime minister in 1991–92, in 1993 appointed Minister for the Economy, in 1993–95 served as Secretary of the Security Council, in 1996–97 was deputy prime minister), Yu. Petrov (Chief of the Presidential Administration in 1991–93). Other, less prominent officials, whose origin was Sverdlovsk Oblast, were appointed to various positions in the bodies of federal authority, for instance G. Karelova (deputy minister since 1997).

On the whole, the situation under Yeltsin was characterised by a number of vertically integrated clienteles and client networks usually connected with the largest federal subjects. It should be noted that Prime Minister V. Chernomyrdin in terms of his professional experience had close links with Tyumen Oblast (the leading oil and natural gas producing region in Russia), Orenburg Oblast (place of birth) and Samara Oblast (place of study). At the same time Chernomyrdin's client network, established during his time in office when he was actively developing informal links with regional governors, spread over a large number of regions, as was revealed in 1995 by the launching of the 'Our Home is Russia' movement let by the prime minister (the most active part in the promotion of the movement was played by a group of regional leaders from V. Chernomyrdin's clientele).

An important role in 'elito-genesis' under Yeltsin was played by Nizhny Novgorod Oblast, which was at its peak influence in 1997–98 (former governor B. Nemtsov was working as deputy and first deputy premiere at the time; S. Kirienko became deputy minister, then minister and, finally, in 1998 prime minister in the Russian cabinet).

The role of officials originating from St Petersburg has been prominent. First S. Stepashin and then Putin held the position of Prime Minister at the end of Yeltsin's term. Virtually from the very beginning A. Chubais from St Petersburg played key roles in the executive, which was conducive to other St Petersburg representatives moving to Moscow. It should be borne in mind that A. Bolshakov from St Petersburg at some stage was deputy prime minister of the Russian government.

Such an important region in Southern Russia as Krasnodar Kray has also played its part in elitogenesis: governor N. Egorov was chief of the presidential administration for some time, V. Shumeyko served as first deputy prime minister and speaker of the Federation Council.

As a whole, the layout of the executive authority under Yeltsin was polycentric from the viewpoint of the leaders' regional origin and the geography of their client

networks. This is confirmed by the fact that representatives of a number of regions (though, mostly large ones) were invited to join the ruling elite, and also by the breakdown of regional lobbies into competing groups (conflicts between representatives of Sverdlovsk, Niznhy Novgorod etc.).

Under Putin the situation is characterised by a stronger position of St Petersburg, from where he originates (it is also important that Putin, who worked as deputy mayor of the city, started in a regional body of authority). Our analysis also shows a more marked shift of the equilibrium in favour of this city, as compared with Yeltsin's presidency and the role of Sverdlovsk Oblast. At the same time the influence of St Petersburg is somewhat balanced by representatives of the elites from Moscow and other regions who hold high offices.

Furthermore, S. Sobyanin, former governor of Tumen Oblast (a leading producer of raw materials) was appointed as chief of the presidential administration in 2006. One of his deputies is I. Sechin, originally from St Petersburg, the other is V. Surkov, representing the Moscow elite. Among the eight presidential aids two are from St Petersburg (as a whole, the presidential administration is staffed with officials mostly from Moscow). Before S. Sobyanin the Presidential Administration was headed by D. Medvedev from St Petersburg.

The influence of St Petersburg-originating officials in the Russian government is also quite strong. Just like the Presidential Administration, regional representation is balanced by the fact that the head of government cannot be seen as a direct representative of regional interests. Prime Minister V. Fradkov (originally from Samara Oblast) should rather be considered as a Moscow politician. At the same time D. Medvedev from St Petersburg is holds the position of his first deputy. S. Ivanov from St Petersburg is one of the two 'ordinary' deputy prime ministers, along with A. Zhukov, a prominent representative of the Moscow elite (he was numerously elected into parliament in a single member constituency with the support of the city authorities). Overall, out of 21 cabinet members 10 are either originally from St Petersburg or representatives of the St Petersburg elite.

It is crucial that key positions in the financial and economic ministries are held by ministers originally from St Petersburg – finance minister A. Kudrin and minister for economic development G. Gref, who both prior to that worked as senior city administration officials. It is curious to note that almost all senior officials in those two ministries are from Moscow. Three of four deputies to A. Kudrin are Muscovites, and the fourth, while originally from Pskov Oblast, has worked in the capital for a long time. G. Gref's ministry leans more towards St Petersburg – two deputy ministers are from St Petersburg, the third had worked in Ufa and Moscow.

Formal representation of other large regions in the Russian government is singular but deserves attention. As a rule, these are the largest regions which have been used as recruitment grounds for decades. Today the government includes those originally from Perm Kray (former vice governor V. Khristenko), Krasnodar Kray (Justice Minister, former Prosecutor General V. Ustinov). It should be noted that in the Russian bureaucratic practice a minister usually brings with them part of their team, i.e. their personal clientele, which results in a growing number of decisionmakers from the regions. For example, one of the two deputies to Yu. Trutnev is originally from Perm where he served as deputy governor. The 'Chelyabinsk lobby' in the

industry and energy ministry is represented not only by the minister V. Khristenko, but also by two of his three deputies, A. Dementiev and A. Reyus.

Our analysis of the composition of the Russian executive authority shows that traditionally officials from a small group of the largest and richest regions rise to high decision-making posts. Such regions have resources and political opportunities linked with them that have allowed them to form closer ties between the regional elites and the centre, to 'erect career ladders' upwards. Alongside Moscow and St Petersburg an important role in the political process is played by industrialised semi-peripheries (Ural regions, Tumen etc.), as well as Krasnodar Kray, which ever since the Soviet times has been cementing its close links with the centre by frequently playing host to visiting high-ranking officials. At the same time geographical and economic peripheries continue to be represented in the executive power rather poorly. Besides, while analysing the composition of the Communist Party leadership (members and candidate members to the Politburo of the Communist Party's Central Committee) in the Soviet times it was clear that there were virtually no members originating from the Far East and very few from Siberia (Turovsky, 1999).

From the point of view of the balance in the centre-regions relations the federal executive authority in Russia can be characterised by the following peculiarities:

- Along the 'centre-regions' line: the influence of figures with roots in the regions, rather than in Moscow, is rather strong. Among all the regions, however, the most dominant is St Petersburg, which is informally considered as the second Russian capital, hence in the centre-periphery split it should be considered as a specific kind of centre.
- In the inter-regional balance: a shift in favour of one territory, St Petersburg, is evident. No region, except Moscow, has comparable representation in the highest echelons of Russian executive power.

On the whole, the dominance of capital elites in federal executive bodies signifies the strengthening of Moscow's role as a gigantic re-distribution centre. Only Moscow and St Petersburg elites have a really stable and strong position in the centre, running far ahead of all other regions. Hence, the lobbying in favour of even large and industrialised regions is somewhat hampered due to a lack of stable vertically integrated clienteles formed in the centre by high-ranking politicians of provincial origin.

Regional Politics: Between Equalisation and Favouritism

At the same time the existing recruitment practices (or geography of power, to use another term) only create a potential for regional favouritism in executive decision making. The resulting layout of centre-regions relations in executive structures depends on how uniform the authorities' attention to the regions is, and if the regions 'native' to high-ranking officials are truly at an advantage. In other words, the actual relationship between the centre and the regions can be determined by means of regional political studies, and those are carried out mostly by representatives of the capital elites.

The study of the decision-making process in Russia under the conditions of a tilted regional balance gives us grounds to draw the conclusion that in comparison with other countries Russia's position is intermediate. Regional favouritism is commonplace in Russia, and vertically integrated clienteles are a fact of political life. However, they are not a determining factor in the policies of the executive power, as may be the case in 'third world' countries. The way Russian authorities understand the centre-regions balance works as a natural constraint on their policies in support of their 'own' regions.

The main constraint on regional favouritism is balanced policies of the Russian President, who, being popularly elected, must oversee that support is given uniformly across the country. In a super-presidential republic political interests of the head of state, as well as his own views on regional policy play a key role. As follows from the numerous appointments made or sanctioned by the president, as discussed above, a clearly expressed interest in promoting officials from St Petersburg to key posts and post-Soviet clientelistic practices is combined with attempts to balance the influence of St Petersburg-originating clienteles by those from Moscow and other regions.

In Russian regional policy two opposing tendencies can be singled out: the first one is regional favouritism, which is carried out by vertically integrated clienteles, and the second one is equalisation of socio-economic development, smoothing out discrepancies between the regions.

The second tendency helps maintain the necessary balance, the latter being rather symbolic. For instance, northern and eastern regions traditionally receive more substantial federal support because of their specific climatic and natural conditions and, hence, higher costs. Besides, in the total volume of federal support to the regions the share of the Regional Financial Support Fund, through which transfers are made to smooth out budgetary inequalities, is shrinking. At the same time more funding is sent via other channels (there is often no transparency in the methods of its distribution), in particular on a case-by-case basis to certain federal subjects. In addition, the special federal target programme 'Minimising Discrepancies in Regional Social-Economic Development in the Russian Federation (from 2002 till 2010 and till 2015)' should not be overlooked. Its budget is very small, for 2005 it was set at 2.1 billion roubles (which is similar to the budget of a single federal target programme, for example 'South of Russia', and is just a fraction of what was allocated to federal target programmes in Tatarstan, Bashkiria and Chechnya).

The specific features of regional favouritism can be illustrated by an analysis of the decision-making process on distributing resources from the Investment Fund, setting up special economic zones, granting 'naukograd' (science city) status to Russian cities, and financing regionally oriented federal target programmes.

For instance, in the summer of 2006 the question of distributing resources from the Investment Fund was being discussed. Two out of seven awards were granted in favour of St Petersburg, another two in favour of Moscow Oblast. Among the other beneficiaries were Tatarstan, Krasnoyarsk Kray (under the influence of governor A. Khloponin, who is an experienced lobbyist, and interested business groups – 'Basic Element' and 'RAO Common Energy System of Russia') and Chita Oblast. Later, in the Autumn, another decision was made in favour of Tuva. Alongside a region's own influence, the positions of influential national business groups lobbying for certain projects became crucial. For example, despite its low political influence,

Tuva Oblast received funding thanks to the pressure from 'Norilsk Nikel', while Tuva's position was bolstered by Mezhprombank (S. Pugachev, a senator from Tuva, in this case did play his part as a regional lobbyist, just as the second senator from the region A. Narusova, the widow of the former St Petersburg mayor A. Sobchak).

Out of the first six decisions to set up special economic zones of a new type in Russia, three were taken in favour of the 'usual' regions – Moscow, St Petersburg and Tatarstan.[6] Another special economic zone was established in Moscow Oblast. Alongside these regions, decisions were taken in favour of Lipetsk and Tomsk Oblasts. Lipetsk's claim was supported by the Italian authorities (the region is actively attracting Italian investments), while in Tomsk the interests of the nuclear energy sector, a federally controlled industry, played their part.

It should be noted that prior to that, decisions to establish special economic zones in Russian regions (when 'individual' laws were passed) used to be taken on the basis of economic and geographical considerations (Kaliningrad Oblast) or a governor's lobbying (former Magadan Oblast governor V. Tsvetkov), but as a result only the Special Economic Zone in Kaliningrad survived, to a large extent due to the Oblast being part of the North-West region.

The granting of the naukograd status to Russian regions has also been done largely in favour of the centre. This can be partially explained by its higher scientific potential. Curiously enough, one of the naukograds was set up in a suburban district of St Petersburg (Petergof), which is not a separate town. As many as four naukograds were formed in Moscow Oblast, but if we look into detail, the most well-known think tanks and centres of science and research in suburban Moscow (Pushchino, Protvino, Troitsk and Chernogolovka) did not receive this status. Elsewhere, the success of Tambov Oblast, where an unexpected idea of setting up a naukograd specialising in agricultural studies received federal support, should be noted. Here, considerable influence might have been exerted by the regional governor O. Betin, who enjoyed good relations with the centre, and, in addition, the role of Michurinsk as a recruitment ground for the Russian political elite (an influential Orel governor and former Federation Council speaker E. Stroev graduated from a local university) could have been a factor.

The allocation of federal target programmes also has its specific features. During the 2000's the number of regionally orientated federal target programmes in Russia was drastically reduced. Against this background Tatarstan and Bashkiria stood out, as they benefited from individual federal target programmes (the centre agreed to make up for these regions' 'losses' due to the abolition of the special inter-budgetary relations under which they had hardly made any transfers into the federal budget). Over half of the funds allocated through regionally oriented federal target programmes were pumped into these two regions. In 2005 via their federal target programmes, Tatarstan received 9.9 billion roubles of federal subsidies (in 2004 – 11.3 billion), Bashkiria – 6.2 billion (in 2004 – 7.4 billion). In addition, large federal transfers went into Chechnya, which can be explained by a post-war situation in the republic (5.8 billion in 2005, 4.6 billion in 2004). Tatarstan and Bashkiria, where there was no war, received more federal subsidies via their target programmes than devastated Chechnya. It is also hard to overlook the much scantier funding of other 'regional' target programmes. For example, the budget of the South of Russia federal target programme in 2004 and 2005 hardly exceeded 2 billion roubles,

whereas the target programme for such a large and disadvantaged region as the Far East and the Zabaikalye offered as little as 1 billion in 2004 and just over 900 million in 2005. For geopolitically important Kaliningrad Oblast its target programme provided about 1 billion roubles in 2005 and a mere 562.5 million roubles in 2004.

The analysis of case-by-case decisions made by the federal executive authority shows that most support is given to the most well-off capital regions – Moscow, St Petersburg, Moscow Oblast, as well as to large industrially developed republics (Tatarstan and, to a lesser extent, Bashkiria). During the past few years Krasnoyarsk Kray has been getting more subsidies. Decisions in favour of other regions are explained either by obvious circumstances (Kaliningrad Oblast) or by special interests expressed by influential national business groups which indirectly act as regional lobbyists. This situation correlates perfectly with the shifts in the structure of regional representation at the federal level discussed above.

In order to understand Russian regional economic policy and its lobbyist component it is important to analyse the peculiarities of distributing federal subsidies and determine the relationship between the overall policy of equalisation and regional favouritism. In our calculations we took into account federal subsidies received via all numerous existing channels, not only via federal target programmes. Our basic premise was that the centre, in accordance with the main principal of budgetary federalism, must compensate the regions for their lack of own funds. The centre's task is to allocate subsidies and subventions in order to lift worse-off regions to the national average in terms of per capita budgetary income or close to it. In our calculations we used the data for 2004.[7]

Many Russian experts air views that the existing practice of distributing federal financial aid is inadequate. Most criticism is aimed at distributing federal moneys from funds other than the Federal Target Programme Fund. Our analysis shows that the mechanism of distributing federal subsidies oddly combines equalising the territories' budgetary performance with aggravating existing disproportions. The latter tendency can be explained by cases of successful lobbying of regional interests.

First of all, we should point out the strong financial support to regions that are already well-off and which display budgetary performance above the national average. The most illustrative is the fact that the largest recipient of federal transfers for the past few years has been Moscow. In 2004 Moscow received 5.7% of all financial subsidies allocated for the regions. In absolute terms in reached 22 billion roubles. Among other 'rich' regions is St Petersburg with 1.5% of all federal subsidies, or 6 billion roubles.

In the present-day situation all federal subjects receive subsidies via various channels, and this renders the traditional division of regions into donors and recipients inaccurate. Cases when well-off regions, being far from the Extreme North, receive large federal subsidies that significantly improve their budgetary performance numbers are of special interest. In 2004, besides Moscow and St Petersburg, among such regions were Omsk and Tomsk Oblasts. Besides, federal transfers helped well-off Mordovia improve its budgetary surplus even more. This can be explained by the fact that in 2004 Mordovia lost its off-shore status so that the YUKOS-related companies registered in the Republic started to pay taxes. At the same time the centre allocated the same amount of subsidies as in previous years, which resulted in a larger surplus.

Other cases, when federal aid not only brought a poorer region up to the national average but helped exceed it, should also be examined.[8] The most striking example is Tatarstan, which received 4.7% of all federal transfers (over 18 billion roubles). Another example is Kalmykia, where a situation similar to that in Mordovia took place in 2004.

Thus, the analysis of financial 'equalisation' policy reveals that a small number of regions seem to be more equal than others, and their list is identical to the list of the regions which benefited the most from the various case-by-case decisions mentioned above. Moscow, St Petersburg and Tatarstan are the most conspicuous of all. Tatarstan, though, will not be on the top of the list of the largest recipients of federal subsidies any more, as its federal target programme is finishing in 2006. The advantage of the two capitals, however, receiving large volumes of federal aid, remains indisputable, so that the whole idea of equalisation is made meaningless. It becomes clear that it is the political and financial interests of the capitals, reinforced by the activity of the Moscow and St Petersburg lobbies in the corridors of power, that are most fully satisfied at the expense of regional economic policy.

On the other hand, a severe lack of funding is evident in a large number of regions, when even after federal subventions their budgetary performance is more than 1.25 times lower the average across the country.[9] Such analysis reveals many interesting facts. For instance, Nizhny Novgorod Oblast can be found among the under-funded regions. This could be linked to protracted conflicts in the region between former presidential plenipotentiary representative S. Kirienko (who could have become a leading lobbyist for the region, but did not) and former governor G. Khodyrev (who failed to secure regional interests at the federal level). Curiously enough, Nizhny Novgorod Oblast was represented in the Federation Council by the very head of the upper house's budget committee, former deputy finance minister 'native' to the region E. Bushmin.[10]

There are many central Russian regions on that list – Smolensk, Tver, Vladimir, Ivanovo, Kostroma, Tambov, Voronezh, Bryansk, Kursk and Tula Oblasts. It is curious that the political influence and good relations with the centre of such governors as D. Zelenin (Tver Oblast) and O. Betin (Tambov Oblast), who came to power thanks to the support of the centre, and former FSB officers V. Maslov (Smolensk Oblast) and V. Kulakov (Voronezh Oblast) failed to change the situation for the better.[11] On the contrary, it turned out not so bad in the regions lead by E. Stroev (Orel Oblast) and A. Artamonov (Kaluga Oblast), as well as in Ryazan Oblast which is high on the agenda of high-ranking officials in the capital and business groups (TNK-BR).

In Southern Russia and the Volga (Povolzhye) only better-off Samara Oblast stands out against the overall background. At the same time we can speak of insufficient federal support to Krasnodar and Stavropol Krays, as well as Rostov, Astrakhan, Volgograd, Saratov, Penza and Ulyanovsk Oblasts. This, in its turn, proves that the actual influence of the Duma lobby on the budgetary process is rather weak. Year by year more and more questions related to distributing federal funds are decided by the government, leaving Duma lobbyists less and less ground for manoeuvre (for example, this year when the 2007 budget was under discussion in parliament, the framework for the distribution of federal aid between the regions had already been set, whereas prior to that it used to be considered only before the

second reading). In this connection it is curious to note instances of insufficient transfers of federal funding to Stavrapol Oblast, whose representative is Chairman of the Budget Committee, and Saratov Oblast. In the east of the country Altay Kray and Kurgan Oblast have larger transfers.

The centre leaves most of the recipient republics at a level below average. In the Northern Caucasus this is true of Dagestan, Ingushetia, Kabardino-Balkaria and Adygei. At the same time, generous aid is being sent to Chechnya, which, of course, can be easily explained. It is curious, however, that Karachaevo-Cherkessia and Northern Ossetia are relatively well-off in terms of federal funding. The president of Karachaevo-Cherkessia M. Batdyev is known for his close ties with certain members of the St Petersburg elites, whereas N. Maksimova, a former deputy to finance minister A. Kudrin, was elected into the Duma from the local single member constituency. Northern Ossetia is traditionally considered Moscow's main stronghold in the Caucasus, which is likely to be reflected in the level of federal subsidies. In the Volga-Ural region the centre's generosity towards industrially developed Tatarstan and Bashkiria, as well as towards Mordovia, which received an unexpected 'gift' after its off-shore privileges had been revoked, is combined with meagre funding for Chuvash and Mari-El. Both republics have their lobbyists in the federal parliament. Chuvash is represented by V. Aksakov, a proactive deputy involved in financial affairs. Mari-El gave all its parliamentary representation to 'non-natives' (both seats on the Federation Council, including the influential deputy speaker A. Torshin, and a Duma seat to V. Komissarov). This, however, has not brought about any major changes in favour of the republics.

On the whole, other explanations to the existing situation, without directly involving a weak Duma lobbyism, can be given. The southern agrarian regions are clearly under-funded. This can be put down to a weak agrarian lobby in Russia (the Agrarian Party of Russia is almost gone from the Russian political scene), but also to the methodology of distributing federal financial aid, which are based on such a vague and unreliable concept as a territory's needs, i.e. the required budgetary expenses. It is because of their uneven base that 'equalisation' comes into effect. In reality, equalisation means higher federal subsidies to the northern regions and, vice versa, low transfers to the southern and agrarian territories, whose needs are traditionally considered more modest.

At the same time, the analysis of the 'favourable' situation in the North and in Siberia reveals a high dispersion of divergence which can hardly be explained away by peculiarities of the government methodology. Thus, Novosibirsk Oblast in Siberia is much worse-off than neighbouring Omsk, having similar natural and climatic conditions. According to our calculations, Irkutsk, Chita and Arkhangelsk Oblasts could be entitled to higher levels of federal subsidies. Curiously enough, Irkutsk Oblast has the most numerous Duma lobby (though it is not politically homogeneous). In the State Duma, Irkutsk Oblast is represented, among others, by deputy V. Shuba who for many years was a key figure in the budget committee. In the latter case, however, his row with the now former governor B. Govorin, i.e. lack of unity in the regional elite and inability to form a vertically integrated clientele, played a detrimental role.

Our analysis of the situation reveals that there are very few successful regional lobbyists in Russia. Regional parliamentary lobbyism is highly inefficient, which is

evident from the clearly insufficient federal funding of Nizhny Novgorod, Saratov Oblasts, Stavrapol Kray and so on. Pro-active and influential deputies, formally representing the regions, are usually preoccupied with their personal political careers, orientated towards the centre and aspire to continue their political career with the centre's support, considering this as a higher priority than catering for the needs of their regions, voters (if the deputy in question was elected in a single member constituency), or a stable position in the regional elite. It is easy to use similar arguments to prove that widespread public statements by governors and members of parliament about their allegedly 'gouging out' extra funding from the centre are pure and simple publicity stunts that have nothing to do with reality. The only actually functioning lobbies are Moscow (city), St Petersburg and Tatarstan, which have penetrated not only into the legislative, but also into the executive authority and whose actions actually bring financial and economic benefits to their territories.

As far as the federal executive power is concerned, for the time being it keeps its distance with the regions and carefully measures regional favouritism, balancing it by taking decisions in favour of 'equalising' regional potentials and occasionally providing support to politically less influential territories. In practice, however, the 'two capitals' and Tatarstan (which has been negotiating skilfully with the centre for many years) are in constant favour, and 'equalisation' has its obvious drawbacks, since many regions in Southern and Central Russia and many republics, in our view, receive too little federal funding but are incapable of changing the situation. This shortage is comparable with the 'extra' subsidies pumped into the three most successful regions.

It should be added that large Russian corporations, which are interested in public-private partnership projects, are capable of exerting considerable influence on the federal authorities regarding its regional policy. The amalgamation of regional authority and large Russian business gives a powerful boost to chances for success, but in this case the former becomes a dependent political actor. It is also possible that a region can benefit from projects carried out by large companies without actually participating in them. The most striking here are the decisions to award subsidies form the Investment Fund to Krasnoyarsk Kray, Chita Oblast and Tuva.

Regions without Regional Interests?

The existing situation, combining under-developed and ineffective regional influence on the federal level with poorly balanced regional policy of the capital elites, can be explained by the absence of a system of regional interests in Russia. Naturally, regional interests are verbalised, but those are separate interests of individual regions. They are promoted along private channels – via separate senators, deputies and ministers, through governors' meetings with the president etc.

At the same time, the next logical stage – aggregating regional interests – is non-existent in Russia. Nor is there any meaningful dialogue between the centre and the regions which might assist policies of centralisation. The regional elites have turned out incapable of offering an alternative system to the regional policies carried out by the federal centre. Their fragmentation, by the way, is largely connected with the problem of a weak regional identity in Russia. As sociological studies show

(in particular, the World Values Survey; www.worldvaluessurvey.com), regional identity in Russia is subordinate to local and national, and, hence, there is no steady socio-cultural basis for formulating regional interests (except for national republics where these interests are interlinked with ethnic ones).

It should also be noted that interregional associations as potential grounds for aggregating regional interests in Russia have not taken place. The reasons for that can be found in a weak macro-regional identity (even Siberian) and in glaring contradictions between private interests of neighbouring territories and the governors as their mouthpieces. In its own turn, the centre has consolidated its superiority even in questions of macro-regional integration (which started to be carried out within the confines of federal districts under the oversight of presidential plenipotentiary representatives), and the conditions of domination of private narrow regional interests make it even easier to carry out the 'divide and conquer' policy, promptly reacting to the need for satisfying politically significant regional demands and neglecting all the others (see Turovsky, 2003). A new institutional constraint has recently appeared – the impossibility of setting up regional parties in Russia (a party must have branches in more than half of the federal subjects).

Under such conditions patrimonial-clientelistic relations between the centre and the regions are coming to the fore, often serving to satisfy private – and even personal – interests. Regional elites – against the background of a growing popular indifference (it is likely that in Russia in the 2000s a change of the dominant political culture, which earlier could be described as autonomous, took place (see Heunks & Kikspoors, 1995) – actively seeks inclusion (due to a lack of an alternative) into client networks that are hardly beneficial for them.[12] Hence seats on the Federation Council are voluntary given up in favour of capital-based politicians, and it is likely that in future additional seats in regional groups will be on offer as well. There is also a shift in favour of having a governor as nominee of the federal centre, or, to be precise, one of the federal political and financial groups. Since this new model's charm in the eyes of the regional elites is still untarnished (i.e. they are not yet disillusioned with it, which can be foreseen to be a matter of the future), and the public are not offering an alternative, it is likely to linger for some time. The regional elites are counting on promoting their representatives into the federal authority, establishing relations with federal interest groups and companies (in later years – with public companies, such as Gazprom, Rosneft and OAO Russian Railways). Since being loyal to the centre is one of the major preconditions for such promotion, they are bound to support the centralisation of power and decision making, even to the extent of their voluntary containment of regional lobbyism in the capital's corridors of power. This situation is for the benefit of only large and well-off regions, capitals and most developed industrial centres, as well as those republics that can induce fear in the centre by their nationalist potential. This is also evident from the composition of the federal executive power, the ways of distributing federal funds and making regionally favourable decisions.

The existing situation, in its turn, brings about a growth of disproportions in regional political influence and economic development. The situation in regional politics is ultimately primitive and is not under control for the sake of national interests. A region's wealth and political activity increase its lobbying effectiveness, whereas the peripheries have to get by on the bare minimum allocated by the centre.

The gap is getting wider due to development strategies of business groups, which for obvious reasons are more eager to invest in already developed regions. The recently announced regional socio-economic development strategy under the auspices of the regional development ministry only reinforces this tendency, as it relies on 'stronghold regions', 'locomotives' of growth. The current policy of enlargement of the federal subjects re-inforces the same trend.

The Russian peripheries, on the contrary, are currently unprotected. The centre realises this and is experimenting with their 'cost of living' while watching the reaction of both public and elites. As long as civic culture in the peripheries remains passive and the interests of regional elites are reduced to private regional problems and personal political gains, a change for the better in favour of the peripheries is impossible.

Some Prospects

The absence of a fully fledged mechanism of representing regional interests at the federal level in modern Russia is one of the most crucial political problems of latent nature. This latency is a consequence of a regional identity crisis, political culture and peculiarities of regional elites in the country. If this problem remains unsolved both in the medium and long term, it is likely to lead to negative consequences, as the preservation of the status quo can only widen the gap between the centre and the regions.

The formation of such a mechanism will depend on the current state of politically relevant (i.e. verbalised) regional demands and federal strategic planning that will accommodate regional interests, even though the latter are poorly expressed by the regions themselves. Resulting from our analysis of Russian practices and taking into account the specificity of such a mechanism in other countries and possible negative consequences if the status quo is preserved, the following political measures can be recommended:

- Restoring the Federation Council as the main body of institutionalised and equalised regional participation. This is possible both by introducing elections to the upper house and without them. In the latter case actual regional representation must be ensured either by introducing special requirements for senators or by tenser links with their delegating authorities (delegating an experienced regional assembly member or regional executive official).
- Re-introducing elections in single member constituencies and creating such constituencies in all federal subjects. As far as lists are concerned, party lists should be put forward by federal subjects, or better by their unions (electoral districts similar to those in Mexico). Uniting federal subjects into electoral districts should help minimise or rule out those party lists that are least likely to win the ballot.
- Giving the State Council and the Council of Lawmakers a higher status and recognising them by law as bodies of direct representation of regional leaders at the federal level, and making their decisions bound for execution.
- Raising the status of regional and municipal associations as a special type of public organisations (whose political aim is to aggregate regional and local

interests and lobby them at the federal level). Such associations, for example, could be given the power to initiate legislation. It might be feasible to reinforce their analytic function, especially in working out recommendations for the centre's regional policies (at the moment the centre is the only source of initiative, sending its instructions and methodological guidelines to the regions).

- Institutionalisation of regional representation in the federal executive power, or even saturation of the ministries and departments with regional 'natives' is not advisable, as it could lead to stronger regional favouritism. Changes should be made in the sphere of regional economic policy which should become truly national. This would require working out clear federal financial aid eligibility criteria,[13] a deliberate weakening of Moscow's financial and economic position, offering growth incentives to lagging peripheries (giving them higher priority when individual funding decisions are made) and developing and carrying out inter-linked development strategies for each region.

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Notes

[1] In the protocol to the Federal Treaty signed in 1992 the republics demanded at least half the seats in the regional house, thus insisting on their special status in the federation and an asymmetry of the latter. In the end, the republics were allocated less than a quarter of the seats, in accordance with their number (the most number of seats were allocated to krays and oblasts).

[2] A unique principle of equality of the two branches of state power was used (which is observed in no other state in the world), when one member represents a regional legislative assembly and the other one represents the regional executive power. This principle turned out very helpful so that each region has two representatives in the Federation Council.

[3] This turned the Federation Council into an intra-elite dialogue forum for central and regional elites, often concealed from general society.

[4] The actual importance of St Petersburg is much higher because many Moscow deputies were originally from St Petersburg and moved to the capital only a few years prior to the elections.

[5] Moscow is divided into 10 constituencies; Moscow Oblast into 8, St Petersburg, Krasnodar Kray and Rostov Oblast – into 5; Bashkiria, Tatarstan, Nizhny Novgorod Oblast and Chelyabinsk Oblast – into 4.

[6] The process of establishing special economic zones, as well as distributing the Investment Fund is overseen by G. Gref.

[7] The following indices were used: own per capita income in the consolidated regional budget and per capita federal subsidies.

[8] In our study we examined only those cases when together with the federal aid received by a region (own income plus federal aid) its budgetary performance in per capita terms exceeded the national average by more than a quarter (i.e. 1.25 times the national average).

[9] Please note that the calculations were done on the basis of the national average for the regions' own budgetary income without taking into account federal aid. In other words, taken *after* receiving federal subsidies their budgetary performance against the national average will be even lower.

[10] Governor G. Khodyrev tried to strip him of his Federation Council seat, accusing him of neglecting regional interests. Now E. Bushmin is a senator for... Rostov Oblast.

[11] Despite the fact that Tver Oblast is represented in the Federation Council by former deputy finance minister V. Petrov.

[12] Author's estimate, based on the World Values Survey data.

[13] The centre's importance in terms of re-distribution could even grow, which is perfectly normal under the conditions of the existing disproportions. Adopting a different scenario and leaving the regions more of their own funds will only aggravate the existing disproportions.

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