

THE PARADOX OF BUILDING DEMOCRACY
IN RUSSIA

by

FRAN-FREDANE FRASER

A thesis submitted in partial fulfillment
of the requirements for the
Degree of Bachelor of Arts with Honors
in Political Science

WILLAMS COLLEGE

Williamstown, Massachusetts

May 23, 2005

*Dedicated to a greater understanding that
perfection is a matter of perception,
merely a state of mind.*

Acknowledgment

I would like to thank my professors at Williams who helped to shape this honors thesis into its final product. Professor Michael MacDonald, thanks for being my advisor and meeting with me to organize my sometimes scattered and disorganized thoughts. Professor James Mahon Jr., thanks for taking me under your wings; encouraging me to not settle for ordinary, but to exceed even my own expectations; and for the wake up calls and eleventh hour revisions. Professor Sam Crane, thanks for my foundation in Political Science, for taking the time to read my very rough drafts, and for useful insight for the final product.

I also appreciated the paradoxical support I received from my family and friends throughout my year of research and writing. Who would have thought that "you are doing this for all of us," would have inspired me to finish this journey? Thank you all very much for listening to my whining and complaining, and for lending me your shoulders to lean on during the rough times.

I would also like to thank Russian President Vladimir Putin for teaching me the value of staying abreast with current affairs, because political stances can change without prior notice.

Table of Contents

Acknowledgement	iii
Chapter One: Introduction The Perspective / Points of Departure / The Journey Ahead	1
Chapter Two: The Ins and Outs of Democracy Of the People, By the People / Extensions of Democracy / The Whole Picture	10
Chapter Three: Reforming Russia The State of the State / Taking Back the State: (Re-) Centralization / Law and Order Russian Style / Transparency: Judicial Reform / Free The Press / The Bigger the Trees, the Harder they Fall / Codes of Conduct	16
Chapter Four: Hall Pass Necessity, the Mother of all Inventions / What the People Want / Grease the Wheels of Reform / Permission Granted /	39
Chapter Five: Conclusion The Verdict	49
Bibliography	54

Chapter One

Introduction

The Perspective

In a recent meeting on the 24th February 2005 between Russian President Vladimir Putin and U.S. President George W. Bush, President Bush voiced concerns about the Russian government's commitment to pursuing and implementing democratic principles and institutions.¹ President Bush noted that democratic countries ideally should share a commitment to rule of law, protection of human civil rights, multiparty democracy, and freedom of the press.² However, President Putin's most recent electoral change, eliminating regional elections, does not support or speak favorably to a Russian commitment to democracy. Besides, Putin's administration is not only facing scrutiny from the international community, but it is also currently facing internal opposition from Russians who believe that he is meddling with Russian democracy and the Russian Constitution.³ (Then again, it is important to note that some of this opposition stems from wealthy Russians who have been facing criminal investigations and civil litigation for various offences since Putin assumed office in December 1999.⁴)

Given the state of the Russian system when Putin assumed power, changes were necessary to create less corrupt Russian political, economic and judicial systems. However, can democracy be fostered in a state with increased restrictions on the citizen's participation in the political process in favor of a more centralized, top-down controlled system? This thesis will address a range of questions about the impact of Putin's reforms

¹ Bumiller, Elisabeth, and Sanger, David, "Bush and Putin Exhibit Tension Over Democracy," *The New York Times*. February 25, 2005.

² Talbot, Strobe, "To Russia With Tough Love," *The New York Times*. February 24, 2005.

³ "Putin's democracy with taxes," *The Russian Journal Daily*. November 18, 2004. Available at www.russiajournal.com

⁴ Ibid.

on Russia's democratic project, and the motivation for these reforms. Western observers are adamant that Putin is backsliding from democracy with all the changes he has instituted since he assumed power. I contend that it was necessary to rearrange Russia's state bureaucracy to create the framework to build a more stable democratic regime in the future. Putin's current reforms are not democratic, but these non-democratic reforms can lead to an efficient state system that can support democratic institutions.

Despite claims that Putin is putting the final nails in democracy's coffin by reconsolidating power to the Kremlin, Putin argues that defending and augmenting democracy are and have always been his intention. Putin contends that "Russia has made its choice in favor of democracy."⁵ Putin reassured President Bush that Russia's commitment to democracy would parallel the introduction of key democratic principles in other modern societies. However, Putin also noted that the introduction of democracy should be appropriate to the development of Russian society, and cognizant of its history and traditions, which are more authoritarian.⁶ It is, therefore, paradoxical that Vladimir Putin also stated that he "would not invent a Russian version of democracy,"⁷ since tailoring democracy to fit Russia's history and traditions would be indicative of crafting a suitable and unique version of democracy. Nevertheless, Putin maintains that there shall be no Russian version of democracy.

President Putin's emphasis on the importance of Russian history to the advancement of democracy in Russia is ironic. Unlike most democracies where elections determine new leaders, Vladimir Putin "inherited Russia on December 31 1999, when

⁵ "Bush and Putin's News Conference," *The New York Times*. February 24, 2005.

⁶ "Putin pledges to uphold democracy," *The Russia Journal Daily*. February 27, 2005. Available at www.russiajournal.com

⁷ Ibid.

Boris Yeltsin named him his successor.⁸ Even though elections were scheduled for March 26 2000, by naming a successor, Yeltsin practically guaranteed Putin's victory. Notably, Putin stood a viable chance of winning the presidential elections without interference because of his increased popularity due to Russia's second confrontation with Chechen rebels. However, the democratic process in primary elections, the right of Russian citizens to choose their leadership, was in effect bypassed to secure the presidency for Vladimir Putin.

The political system Vladimir Putin inherited from Boris Yeltsin was by no means perfect, and Putin's mission from the outset was to correct mistakes made by the Yeltsin administration.⁹ Putin was therefore justified to reform the deficient economic, political and judicial systems in order for democratic principles to sink firmer and deeper roots in the Russian society. To correct these deficiencies, Putin called for a strong central government at the beginning of his Russian presidency.¹⁰ Putin claimed that "a strong state power in Russia means a democratic, law-governed, effective federal state," and was not indicative of a return to a totalitarian system.¹¹ Putin also added that a strong state necessitates being governed by rule of law, and should protect personal and political freedoms.¹² Thus, in order for democracy to be effective in Russia, a stronger state has to be developed to defend the merits and principles of democracy.

Since Putin inherited a political system riddled with legislative gridlock between the executive and the State Duma (the lower house) and constant clashing of laws passed

⁸ Putin, Vladimir Vladimirovich. <<http://www.encyclopedia.com/html/p/putinvl1 .asp>>

⁹ Sestanovich, Stephen, "Russian Democracy in Eclipse: Force, Money, and Pluralism," *Journal of Democracy*. 2004, Vol. 15.

¹⁰ Remington, Thomas, "Putin's Third Way: Russia and the "Strong State" Ideal," *East European Constitutional Review*. Winter 1999/Spring 2000.

¹¹ Putin, Vladimir, "Russia on the Threshold of the Millennium," quoted in Remington, "Putin's Third Way."

¹² Remington, "Putin's Third Way."

by the federal government and regional legislatures, some of the reforms he initiated were in line with correcting those deficiencies, while creating a stronger Russian state. Yeltsin had negotiated extra-constitutional treaties with republics and regions in the Federation, which opened the door for all regions and republics to demand more power and independence from the Kremlin.¹³ The evidence indicates that the treaty-signing process worked more to the advantage of the regions than the Kremlin, and thus Moscow was left reacting to changes made in the regions, rather than defining those changes. As a result, Putin moved quickly to reassert the central government's control over the republics, regions, and other administrative units. Putin grouped all the republics and regions into seven large regional districts and appointed governors who would report directly to him. Additionally, he retracted the regional governors' right to serve on the Federation Council (the upper house) to limit the power the regional governors had over the legislature. He also suspended numerous laws that conflicted with federal laws, forcing the republics to obey federal laws and the president's directives. In a bold move, Putin asked the Duma to give the president the right to dismiss regional governors and dissolve regional legislatures that enacted laws which directly infringed on federal laws and the national constitution. The Duma granted him these powers, thus bringing the regions and republics more under the president's scrutiny.¹⁴

Putin has also taken several other steps to revamp Russia's laws and civil liberties. Legal reforms gave greater protection to the accused and increased the powers of the judiciary. Further changes to the legal system emphasized Putin's objective to curb crime

¹³ Stoner-Weiss, Kathryn, "Central Weakness and Provincial Autonomy: Observations on the Devolution in Russia," *Post-Soviet Affairs*, 1999, Vol. 15.

¹⁴ Russia: History. < http://www.encyclopedia.com/html/section/russia_history.asp>

and corruption in the Federation.¹⁵ While Russia's legal institutions were being strengthened, in 2003 there was controversy brewing that the government was using the law to achieve its political aims. Mikhail Khodorkovsky, chairman of the Russian oil giant Yukos, was arrested on charges of fraud and tax evasion.¹⁶ However, the timing of his arrest, a month before the before the March 2004 parliamentary elections, in which he was a candidate, cast doubt on the government's claim that Khodorkovsky was a criminal and instead shed light on his political aspirations and the government's bid to frustrate them. Putin's aims were brought under further scrutiny when it was revealed that the government was tampering with the media and censoring their reports, especially during the 2004 presidential elections.¹⁷ The independent media were essentially stripped of their independence when the Kremlin laid down guidelines for the content of the media's reports. When they refused, it is reported that their rights to broadcast to the public were restricted until they would comply.

Putin also spearheaded several liberal economic reforms in Russia. The economy was stabilized partially through banking, labor, tax, and private property reforms and partly through the rise in oil prices.¹⁸ Putin has to some extent limited the amount of foreign ownership of Russian assets. In July, 2003, a law permitting the sale of farmland was passed by the parliament; foreigners are banned from purchasing agricultural land but may lease it. However, the trend for economic reforms has stalled since higher oil prices offered an easier path to growth.¹⁹

¹⁵ Putin, Vladimir Vladimirovich.

¹⁶ Russia: History.

¹⁷ Putin, Vladimir Vladimirovich.

¹⁸ Ibid.

¹⁹ "Russia's President: Vladimir III?" The Economist, December 11, 2004.

Vladimir Putin was re-elected in the recent 2004 presidential elections. Since his re-election, Putin initiated major governmental and election reforms. Instead of regional elections, Putin proposed that governors for the 89 republics of the Federation will be nominated by the president.²⁰ This change to regional elections, further limits Russian ability to elect their own political representatives. He also proposed that only parties, not individual candidates, should be allowed to contest parliamentary elections.²¹ Even though this is common in representative systems, the change in parliamentary elections reduced Russia's political options in filling political offices.

Points of Departure

The minimalist standard of democracy, developed from Joseph Schumpeter's and Samuel Huntington's works, states that a democracy is a political system which allows its principal positions of power to be filled through competitive elections.²² Additionally, the system should ensure that the most powerful collective decision makers are selected through fair, honest, and periodic elections in which candidates freely compete for votes.²³ Thus, electoral democracy ensures that the populace is represented in leadership positions, and that their views are recognized and sought after by the government.

However, it is important to note that this definition of democracy is minimal and focuses on the smallest number of attributes possible to capture a viable standard for democracy.²⁴ Two other types of democracies that will be considered are liberal and

²⁰ Bayer, Alexei, "Tilting at Windmills", *Moscow Times*, October 1, 2004.

²¹ Ibid.

²² Diamond, Larry, "Thinking about Hybrid Regimes," *Journal of Democracy*, 2002, Vol. 13.

²³ Ibid.

²⁴ Collier, David, and Levitsky, Steven, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics*, 1997, Vol. 49.

delegative democracy, which focus on attributes that either add to or subtract from the tenets of electoral democracy. These subtypes of democracy add to the analytic framework of this thesis because the steps taken after the consolidation of electoral democracy can either add to the strengths of the electoral democracy or detract from the meaning and goals of electoral democracy.

A liberal democracy is a political system not only marked by free and fair elections, but also governed by rule of law, separation of powers, and the protection of basic civil liberties, such as speech, assembly, religion, and property.²⁵ The addition of civil liberties to electoral democracy gives greater meaning to elections and the subsequent democratic institutions,²⁶ as well as ensuring that the electoral system is more effective and efficient. For example, by protecting civil liberties, such as free speech, a multiparty system is more likely to develop than under a regime that restricts civil liberties. Therefore, a liberal democracy ensures a functioning electoral democracy by fusing or supporting democracy with liberalism (protection of civil liberties).

Delegative democracy, on the other hand, does not add to the attributes to the minimalist standard of democracy. Delegative democracies, for the most part, have been pressured by international and domestic actors to adopt, or at least mimic, the democratic form.²⁷ As a result, these systems meet the formal requirements for an electoral democracy, but their political actions of top-down without regard for the electorate resemble that of an authoritarian state.²⁸ This type of democracy subtracts from the essence of democracy because the leaders simply use their electoral legitimacy to justify

²⁵ Zakaria, Fareed, "The rise of illiberal democracy," *Foreign Affairs*. Nov-Dec 1997.

²⁶ Bova, Russell, "Democracy and Liberty: the Cultural Connection." *Journal of Democracy*. 1997, Vol. 8.

²⁷ Diamond, "Thinking about Hybrid Regimes."

²⁸ Kubicek, Paul, "Delegative Democracy in Russia and Ukraine," *Communist and Post Communist Studies*, 1994, Vol. 21, No. 4.

*Paradox of **Building** Democracy*

non-democratic behavior,²⁹ which defeats the purpose of having a government for, of, and by the people if the said government then acts unilaterally, disregarding the people's wishes. It is important to note that not all delegative democracies develop because of leaders with authoritarian tendencies.³⁰ A delegative democracy can develop because of short-term shocks that require immediate state attention such as a socioeconomic shock, or lack of institutions to ensure governmental accountability to the electorate. Thus, a delegative democracy could tentatively be a transitional regime. However, there are political regimes that have institutionalized delegative democracy as the *modus operandi*.

Thus, electoral democracy is the minimalist standard of democracy that sets the foundation for analyzing most democratic consolidation. The path the elected government chooses to follow will determine the adjective used to describe their polity. Two distinct forms of democracy are liberal and delegative democracy, which account for different regimes with their foundation being electoral democracy; liberal adds favorably to and helps promote electoral democracy, while delegative use electoral democracy as a shroud for democratic behavior. Fareed Zakaria makes an interesting observation based on the minimalist standard of democracy. He notes that "governments produced by elections may be inefficient, corrupt, shortsighted, irresponsible, dominated by special interests, and incapable of adopting policies demanded by the public good."³¹ However, while these characteristics are undesirable, the governments are not necessarily undemocratic.

The Journey Ahead

²⁹ Ibid.

³⁰ Ibid.

³¹ Zakaria, "The rise of illiberal democracy."

This thesis is designed to assess whether or not President Putin's reforms disrupt Russia's democratic project, and if Russia still meets the requirements of a democracy, what type of democratic system would it be. Additionally, this thesis, will attempt to explain why Putin was allowed to implement reforms that may have disrupted the prospects for continued democratic development in Russia.

To address these concerns, the remainder of this paper is organized as follows. Chapter Two examines the different types of democracy that will be used to evaluate the Russian system. Chapter Three addresses President Putin's reforms and laws that have impacted Russia's democratic standing. Chapter Four will determine why Putin was allowed to continue with reforms with little or no objection from the Russian electorate. Finally, the concluding chapter will have thoughts about the path Putin chose and why he chose it.

Chapter Two

The Ins and Outs of Democracy

Of the People, By the People

Can the current Russian regime be classified as a democracy? The answer to this question depends heavily on how democracy is defined. Schumpeter argues that a political system has to meet two specifications to qualify for electoral democracy. The first criterion of participation requires all eligible adults of the political community to be guaranteed the right to participate in the political process, most notably, in the process of electing public officials.¹ The second criterion bolsters participation by calling for significant competition for public official positions through multiple candidates and parties to allow for some meaningful degree of voter choice.² Thus, an electoral democracy is a political system that supplies regular constitutional opportunities for changing governing officials and a social mechanism that permits the electorate to influence major decisions through elections.'

According to this definition, there is no such thing as a one-party democracy, where only one party exists and competes for elections. (There can be one dominant party, for example Japan between 1955 and 1993, but this one party domination was as a result of the electorate, and not because of political restrictions preventing multiple parties from emerging.) Thus, Fidel Castro's Cuba and the former Saddam Hussein's Iraq cannot meet the standard of democracy. Elections can only be called free when the legal barriers to entry into the political arena are low, and when candidates and supporters of different

¹ Bova, "Democracy and Liberty."

² Ibid.

³ Casper, G. and Taylor, M., *Negotiating Democracy: Transitions from Authoritarian Rule*. Pittsburg, University of Pittsburg Press, 1996.

political parties are free to campaign and solicit votes.⁴ Furthermore, elections are free when voters endure little or no coercion in exercising their electoral decisions.' Even though elections are and were held in Cuba and the former Iraqi regime, those elections were not free because voters feared for their lives, their jobs, and their freedom if they voted against the incumbent leaders. Therefore, electoral democracy has to ensure widespread participation and free and fair electoral competition.

Electoral democracy guarantees widespread participation and electoral competition to ensure governmental accountability to the electorate.⁶ Elected officials are vulnerable to public outcry and can lose their positions if the electorate believes that they have not behaved in the accordance to their best interest.⁷ As a result, an electoral democracy has the framework to ensure that in a democracy most of the electorate's political desires are acted upon. Even though electoral democracy dictates that political leaders should, by and large, be responsive to the opinions of the electorate, electoral democracy does not necessarily produce "good" governments. As Zakaria emphasizes, democracy is not a subjective measure of good governance,⁸ but, instead, sets guidelines for the processes of selecting public representation.

Extensions of democracy

Although the minimal standard of democracy offers a process for determining representative leaders, it does not guarantee a "good government because electoral

⁴ Diamond, "Thinking about Hybrid Regimes."

⁵ Ibid.

⁶ Schmitter, Philippe, and Karl, Terry Lynn, "What Democracy Is and Is Not," *Journal of Democracy*, 1991, Vol. 2, No. 3.

⁷ Kubicek, "Delegative Democracy in Russia and Ukraine."

⁸ Zakaria, "The rise of illiberal democracy."

democracy does not secure or guarantee the protection of civil liberties. Liberty differs from democracy in that it refers to the freedom to engage in certain activities or to hold and express views without governmental interference, while democracy simply demarcates the processes for selecting rulers or policies.⁹

Liberal democracy combines the concept of civil liberties and electoral democracy to produce a political system that offers and protects a variety of competitive methods and channels for expression of interests and values.¹⁰ A liberal democracy requires not only free, fair, and competitive elections, but also the protection of civil liberties, such as freedom of speech and association, alternative sources of information, and institutions to make government policies more reflective of votes and the preferences of the citizenry.¹¹ Thus, when President Bush declared that democratic countries support rule of law, multiparty elections, freedom of the press, and protect human civil rights,¹² he was referring to liberal democracy and not to the minimalist standard of democracy.

The security of civil liberties also ensures freer and fairer elections. Electoral democracy requires electoral candidates to campaign for and solicit votes without government intervention. However, freedom to campaign and solicit votes requires the guarantee of certain civil liberties such as freedom of speech, movement, assembly, and association in the political life, even if not completely in civil society.¹³ Thus, liberal democracy accentuates electoral democracy by not only guaranteeing that elections produce an outcome that is of and by the people, but also by ensuring that the system works for (in favor of) the people.

⁹ Bova, "Democracy and Liberty."

¹⁰ Schmitter and Karl, "What Democracy Is and Is Not."

¹¹ Diamond, "Thinking about Hybrid Regimes."

¹² Talbott, "To Russia With Tough Love."

¹³ Diamond, "Thinking about Hybrid Regimes."

Electoral democracy can be strengthened by tacking on the protection of civil liberties to the equation to produce liberal democracy; however, another plausible outcome is delegative democracy. In a delegative democracy, the underpinnings of electoral democracy can remain unaltered (not a necessary prerequisite; there can be slight modifications), but popularly elected leaders use their democratic legitimacy to justify authoritarian behavior.¹⁴

Delegative democracy differs from electoral democracy through notions of accountability.¹⁵ Representation includes an element of accountability, where the elected delegate is accountable to the electorate for his actions while in office. However, in the delegative democracy, elected officials, to some degree, can avoid political pressures because their political strength stems from sources other than the electorate, such as the military or strong financial backing. A positive side to the delegative democracy is that it is able to initiate unpopular reforms that have beneficial outcomes in the long run faster than democracies that are more responsive to the electorate.¹⁶ Nevertheless, delegative democracy is still more insensitive to the electorate's wishes.

Delegative democracy is preserved by restricting some civil liberties in order to limit the routes through which the electorate can mobilize against the government and its policies. This liberal deficit and disregard for political and electoral pressures in delegative democracies emerges in spite of, and to some degree because of, their adoption of the democratic mechanism of popular elections.¹⁷ Some regimes were forced to change their political culture, and as a result used democratic political institutions,

¹⁴ Kubicek, "Delegative Democracy in Russia and Ukraine."

¹⁵ ••id.

¹⁶ Ibid.

¹⁷ Plattner, Marc, "From Liberalism to Liberal Democracy," *Journal of Democracy*. 1999, Vol. 10.

such as multiparty electoral competition, to mask or legitimate the reality of authoritarian domination.¹⁸ Therefore it may be possible to reduce the emergence of a delegative democracy if the impetus for regime change develops within the country rather than being forced upon the country from without, thus eliminating the tendency to use democracy as a shroud for authoritarianism.

Delegative democracy very rarely takes the next step towards democratic consolidation, or even back to a "decent" version of electoral democracy, because the delegative nature of it deepens the regime's defection from democracy by hampering the development of democratic institutions.¹⁹ It is indicative of a self-fulfilling prophecy; it emerges under the pretext that governmental institutions are too weak to carry the burden of electoral democracy, then it imposes conditions that only further weaken those institutions, thus cementing it in the country's political culture.²⁰ Fareed Zakaria supports this conclusion noting that, to date, very few delegative democracies have matured into more liberal democracies, and if anything, they have only been moving to consolidate their delegative status even more.²¹ So, there is the lingering possibility that once delegative democracy emerges as a state's political culture, it will be a permanent feature, and not a temporary transitional stage.

While the fear exists that once a delegative democracy emerges it will be a permanent feature, this needs not be a self-fulfilling prophecy. The emergence of democracy is a process of negotiations between the government and the electorate,²² and if opposition forces continuously oppose the government, there is the possibility that the

¹⁸ Diamond, "Thinking about Hybrid Regimes."

¹⁹ Kubicek, "Delegative Democracy in Russia and Ukraine."

²⁰ Ibid.

²¹ Zakaria, "The rise of illiberal democracy."

²² Casper and Taylor, *Negotiating Democracy: Transitions from Authoritarian Rule*.

government would give in to the demands of the opposition. Furthermore, any major political upheaval or scandal can force an authoritarian government to seek to obtain legitimacy from its citizens.²³ The transition from delegative democracy can occur when there are domestic agents and factors that act upon external factors to initiate regime change.²⁴ Delegative democracy does not have to be permanent if there are domestic agents intent upon changing the regime, and are willing to engage the government in dialogue.

The Whole Picture

Electoral democracy ensures that the most powerful decision makers are selected through competitive, free, and fair elections that have widespread adult participation. Liberal democracy reinforces the concept of free and fair elections by promoting and protecting civil liberties, while delegative democracy uses the legitimacy of electoral democracy to justify authoritarian behavior by elected officials. These three types of democracy point to a range of positions a regime can be in its democratic ambitions and will be used to evaluate where on the spectrum of democracy Russia currently stands.

²³ O'Donnell, Schmitter and Whitehead, eds. *Transitions from Authoritarian Rule: Prospects for Democracy*. Baltimore, Johns Hopkins University Press, 1986.

²⁴ Ibid.

Chapter Three Reforming Russia

The State of the State

When Vladimir Putin assumed the office of the president on December 31, 1999, the Kremlin had lost and continued to lose control over the regions' laws, taxes and governance. Ministerial efficiency was again waning because of widespread corruption among ministry officials. Lack of judicial accountability and prudence continued to be a growing problem, which endangered not only the rule of law, but also law and order. This, coupled with corruption in law enforcement agencies, only made the problem in the legal system exceedingly worse. The democratic experiment had been under way for eight years, yet these were major problems preventing the emergence of an efficient federal system and had negative impacts on the democratic project. For example, corrupt election processes restricted political competition, and for the town of Oryol this means living with the same corrupt governor for sixteen years.¹

Despite state and governmental corruption and the lack of accountability to the electorate, Putin is adamant that his strong state ideal can and should lead to increased defense and practice of democratic principles in Russia.² Putin believes that Russia's law books already contain effective instruments to fight crime and corruption, so the task at hand requires enforcing those laws.³ However, the legislative, judicial, and law enforcement systems Putin inherited create and sustain Putin's toughest challenge. In order to make any headway in building more democratic institutions, Putin must first eliminate the networks of cronyism and government patronage that were in part

¹ Chazan, Guy, "In Putin's Russia, Business Struggles for a Foothold," *The Wall Street Journal*. April 27, 2005.

² Remington, "Putin's Third Way."

³ Ibid.

responsible for his own unexpected rise to power. The success of the president's ambitious reform package will depend heavily on his success in implementing law-and-order and rule of law throughout Russia.⁴ Thus, reforms were necessary to salvage the Russian state, but are Putin's changes aligned with a democratic project, or is there another form of democracy unfolding in Russia?

The reforms and new laws passed under Putin's governance had mixed effects on the democratic project. While greater protection for civil liberties was offered through economic and judicial reforms, most of the reforms initiated and laws passed were in favor of delegative democracy. It is also important to note that anti-democratic state recentralization approach was to some degree necessary to create a functioning federal state system that could withstand destabilizing forces, and possibly prepare for future democratic movements.

Taking Back the State: (Re-) Centralization

Putin's call for a strong state could not be initiated without changes to the relationship between the federal government and the regional legislatures. A federal system is one in which citizens are governed by two layers of government. Some levels of governance are completely in the hands of local/regional authorities, other levels of governance are held exclusively by the central government, and there is also the possibility of shared responsibilities.⁵ However, because the regions seized de facto legislative and executive powers after signing bilateral treaties with the Kremlin,⁶

⁴ Hendelman, Stephen, "Can Putin Strengthen the State While Attacking Corrupt Officials? Shadows on the Wall: Putin's Law-and-Order Dilemma," *East European Constitutional Review*, Winter 1999/Spring 2000.

⁵ Stepan, Alfred, "Russian Federalism in Comparative Perspective," *Post-Soviet Affairs*, 2000, Vol. 16.

⁶ Stoner-Weiss, "Central Weakness and Provincial Autonomy."

Moscow was unable to re-establish or enforce its authority in the regions.⁷ The federal system was to some degree non-operational.

Therefore, Putin did not delay in his attempts to restructure and redefine the relationship between Moscow and the 89 republics. Six days after being inaugurated on 7th May 2000, Putin authored a decree establishing seven federal districts to be governed by presidential representatives, nominated by the president. Given this stipulation, it was to no one's surprise that five of the seven presidential representatives to the federal districts had close ties to Putin via the KGB.⁸

The purpose of the federal districts was to strengthen Moscow's control over the activity of federal bodies and institutions in the regions because these bodies, even though they were meant to be independent of regional governments, fell prey to the influence of powerful governors. Additionally, the reining in of the regions through the federal districts was also meant to ensure that federal taxes collected in the regions flowed directly into the federal treasury, instead of being diverted into local coffers as was the common practice in the regions. The districts were also meant to counteract the lack of execution of federal laws in the regions. The implementation of federal laws and policies were not carried out in the regions partly because the local legislatures directly opposed Moscow and refused to implement them, and partly because the federal government could not feasibly ensure its legislation was being implemented. As a result, the new presidential representatives were given sweeping powers to ensure compliance to

⁷ Remington, Thomas, *Politics in Russia*, New York, Longman, 2002.

⁸ Shevtsova, Lilia, *Putin's Russia*, Washington DC, Carnegie Endowment for International Peace, 2003.
Page 91.

the federal rules and guidelines, with severe punishment for those who refused to comply.⁹

There are suggestions that the federal districts are direct contraventions of the Russian Constitution, because their existence negates the republics' and regions' autonomy in local affairs. However, Chapter Eight of the Constitution also says that regional autonomy is allowed to deal specifically with local issues, and will only span to state-level activities if the federal government grants local governments permission.¹⁰ Thus, Putin's regional reform is not in contravention of the Russian Constitution according to this interpretation, but is worlung to ensure that the regions and republics obey that constitution. Furthermore, the powers of the federal districts' representatives do not restrict the regions' autonomy; they simply deny the regions the ability to contradict Moscow's laws that fall outside the ambit of local jurisdiction. For example, it is unconstitutional for Tatarstan Republic and Bashkortostan Republic to sign separate treaties with foreign states, when Article 71 of the Russian Constitution specifically states that the Russian Federation is responsible for dealing with foreign states and signing international treaties.¹¹ Therefore, the creation of federal districts is not undemocratic because it does not interfere with public participation or electoral competition.

Putin also proposed a law that prohibited regional governors and parliamentary speakers from being the regional representatives in the Federation Council, the upper legislature. The Federation Council's responsibilities include amending all laws passed by the Duma (the lower legislative house), approving Presidential decrees and

⁹ Remington, *Politics in Russia*. Page 74.

¹⁰ Russian Constitution, Chapter Eight. Available at <<http://www.fipc.ru/fipc/constit/>>

¹¹ Russian Constitution, Chapter Three, Article 71.

impeaching the President.¹² Putin bolstered this law by authoring another law giving the president the power to remove any governor if a court ruled that the governor had violated the federal constitution and laws.¹³ These laws helped to reassert the federal laws in the regions.

However, the replacement of governors and committee chairmen in the Federation Council with federally appointed representatives enables the Kremlin to directly control the appointment process, to the point that former federal officials and Moscow-based oligarchs have come to dominate its membership.¹⁴ The non-election of representatives in the Federation Council leaves room for encroachment on the upper house's independence from the executive and business interests. It is also unreasonable to expect the appointees to truly represent the interests of regions, which, in some cases, they had never visited. If Putin had required that there be separate elections to fill the upper house, then the democratic principle of electoral competition and participation would have been nurtured, thus cultivating a measure of accountability from the members of the Federation Council. In its current form, accountability to the Russian citizens is severely limited. The Federal Council is important in approving Russian laws, and Putin is denying Russians the right to elect representatives to that Council to enact laws approved of by the electorate. These presidential appointments strengthen the notion of Russia being a delegative democracy.

Putin's reforms designed to enhance the region's compliance to federal instruction present a strange dilemma. Some of the federal reforms positively influence prospects for

¹² Russian Constitution, Chapter Five, Article 102.

¹³ Rernington, *Politics in Russia*. Page 74.

¹⁴ Hahn, Gordon, "Long arm of Putin's reform reaching Russia's regions," *The Russian Journal*. June 14, 2002.

an effective federal system. However, preventing Russians from electing members to the Federation Council limits their electoral participation, and only serves to over-centralize power at the federal level.¹⁵

Law and Order Russian Style

Still, the centralization continues. In 2004, Putin proposed a constitutional amendment, ratified by both the State Duma and the new Federation Council, to eliminate gubernatorial elections for governors and presidents in the regions altogether.¹⁶ After the terrorist attack at the Beslan school, President Vladimir Putin confessed to the nation that his government was incapable of protecting them from future terrorist attacks.¹⁷ He claimed that widespread corruption and incompetence among government, law enforcement, and security officials has left Russia structurally dysfunctional.¹⁸ Russia, he said, was a hollow state incapable of acting in a unified, calculated manner to deal with crises similar to and worse than the Beslan school massacre.¹⁹ As a result, President Putin announced a series of anti-terror initiatives aimed at strengthening the Kremlin's grip on Russian political life.²⁰ However, there was a dearth of security measures in the new anti-terrorism proposals; instead, there was a greater focus on electoral changes.²¹ The policies overhauled the electoral system by replacing elected governors, presidents

¹⁵ Ibid.

¹⁶ Myers, Steven, "From Those Putin Would Weaken, Praise," *The New York Times*. September 15, 2004.

¹⁷ Goya, Ajay, "Putin's election reform: to save democracy or to save Russia?" *The Russian Journal*. October 12, 2004. Available at www.therussianjournal.com.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ "Putin Moves to Increase Power, Citing Effort to Fight Terror," *The New York Times*. September 13, 2004.

²¹ Ibid.

and other regional leaders with presidential appointees.²² Putin added that Russia needed political unity in order to withstand the threats it currently faces, and that political unity can only be guaranteed by enabling him to appoint leaders.²³

In theory, under a true electoral democracy, Russia's regional leaders would represent myriad blocs of voters of all classes, ethnicities, and political leanings, and thus would constitute a potent political force.²⁴ This political force would be potent enough to pose serious political challenges to Putin and the Kremlin through the guaranteed competition of electoral democracy. However, these electoral reforms strike a major blow to electoral democracy, further weakening the prospects of electoral democracy flourishing in Russia, by driving those in power further from the citizens they rule, and denying the electorate the chance to participate in their country's governance.²⁵ Thus, Putin has removed the last vestiges of local electoral and governing autonomy.

This most recent step formalizes the Kremlin's already immense sway over regional leaders, which in the past, was informally sustained by the power of the purse and perks, coupled with an ever increasing element of fear.²⁶ Mr. Putin did more than upend the country's still evolving experiment with electoral democracy; he reinstated a Russian phenomenon called the "vertical of power," with the most prominent, most dominant feature being the man at the top, himself.²⁷

To complicate matters even further, the Duma majority, acting with the encouragement of the president, voted to erect new barriers to entry into the political

²² Myers, "From Those Putin Would Weaken, Praise."

²³ Ibid.

²⁴ Ibid.

²⁵ "Putin Moves to Increase Power, Citing Effort to Fight Terror."

²⁶ Myers, "From Those Putin Would Weaken, Praise."

²⁷ Ibid.

arena.²⁸ The new law, to be implemented in the 2007 elections, raised the threshold for party representation in parliament from five to seven percent.²⁹ The law also contained a compromise to allow for at least four parties to be represented in the Duma, even if four parties fail to reach the seven percent minimum. This clause does not guarantee representation to non-presidential-ally minorities such as the recently created Liberal Russia or parties on the democratic left, since most, or conceivably all, of the top four election winners could easily be Kremlin supporters and the Communists.³⁰ Electoral competition is not affected by this law, but electoral choice in representation will be negatively affected by these restrictions. The law gives the Kremlin more clout in the Duma since pro-Kremlin parties have presidential support, including financial support, to secure enough votes to exceed the seven percent threshold. As a result, the Kremlin is one step closer in creating a delegative democracy where elections give legitimacy to the ruling elites, which they use to enact laws and rules to their favor, and further rig the rules to stay in power.

Transparency: Judicial Reform

Putin's drive for a strong state also stretched to the judiciary. In order for there to be the full establishment of a law-governed state, it would mean that judicial abuses of the past would have to end, and that changes in political leadership could not lead to bending or violating laws to political ends.³¹ However, this would undoubtedly necessitate a judiciary independent of political influence. During Yeltsin's presidency,

²⁸ Article 96 in Chapter Five of the Russian Constitution states that all rules for electing deputies to the Duma should be established via federal laws.

²⁹ "Constitutional Watch" *East European Constitutional Review*. Winter 2002/Spring 2003,

³⁰ *Ibid.*

³¹ Remington, *Politics in Russia*.

the independence of judges was undermined by lack of financing from the Kremlin. Judges were more susceptible to partial judgments in favor of local and regional governments that sponsored judges and private firms provided that offered judges compensation packages, bonuses and perks.³² Furthermore, the federal government's inability to implement judgments across Russia hurt the court's reputation, but so did the popular consensus that the courts were inefficient and that judges were financially dependent on the rich and corrupt.³³ Therefore, for Putin's administration the task at hand was not only to improve the workings of the judicial system, but also to improve the reputation of the courts.³⁴

In December 2001, the Russian government approved a considerable increase in budgetary support for the country's courts.³⁵ Along with increased financial support for the upkeep of courts, Putin also promised to significantly increase judicial salaries.³⁶ This would decrease judges' dependence on regional governments and private sponsorship. Additionally, it should lead to an improvement to the image of judges and enhance the quality of the judicial system since judges are less inclined to make unfair rulings in favor of those who provide financial support.

A new code of criminal procedure was also designed to give judges more power and freedom to make judgments, and improve the fairness of criminal justice.³⁷ The new criminal procedure code, intended to defend individuals from the arbitrariness of the state, increased the individual's right to a defense attorney, abolished trials in absentia, and

³² Solomon, Jr., Peter, "Putin's Judicial Reform: Making Judges Accountable as well as Independent," *East European Constitutional Review*. Winter 2001/Spring 2002.

³³ Ibid.

³⁴ Solomon, "Putin's Judicial Reform."

³⁵ Ibid.

³⁶ "Putin Promises to fight oligarchs," *The Russia Journal Daily*. December 1, 2004. Available at www.russiajournal.com

³⁷ Solomon, "Putin's Judicial Reform."

reduced prosecutors' ability to hold suspects in pre-trial detention for more than 48 hours without approval from the courts.³⁸ Furthermore, new judges would be appointed to ease the backlog and increase efficiency in the judicial system. Judges were to be evaluated via a judicial corps made up of judges, attorneys, legal scholars, and a presidential appointee.³⁹ These new judges would also be appointed based on factual information from law enforcement agencies and intelligence services, and not based on rumors.⁴⁰ The judicial corps would also be established to increase accountability of judges through disciplinary, administrative, and criminal responsibility, setting clear guidelines for appointments, promotions, and dismissals.⁴¹

The judicial system was improved by introducing trials by jury for all violent crime, and appeals, in 2003.⁴² The right to a jury trial has long been guaranteed by the constitution, but before 2003 it was only available in nine of the 89 regions.⁴³ The extension of the right to jury trials and appeals should begin to address the overwhelming power imbalance between prosecution and defense, but a dramatic change in circumstances may not be forthcoming. The introduction of jury trials has been balanced by strengthening the powers of judges to overturn jury verdicts, while nothing has been done to address such glaring inequities as the requirement that defense lawyers get the agreement of prosecutors before calling witnesses.⁴⁴ As a result, this produces a greater possibility of a fair trial, but still leaves room for corrupted officers of the court to influence the final decisions.

³⁸ Sakwa, Richard, *Putin: Russia's Choice*. London and New York, Routledge, 2004. Page 108.

³⁹ "Putin Promises to fight oligarchs."

⁴⁰ Ibid.

⁴¹ Solomon, "Putin's Judicial Reform."

⁴² "Constitutional Watch," *East European Constitutional Review*. Winter 2001/Spring 2002.

⁴³ Ibid.

⁴⁴ Ibid.

The reforms to the judicial system improve guarantees for human and civic rights, and the economic rights of citizens.** Through a strong judicial system, laws are disseminated more easily throughout the country, and civil society and its rights can be better protected, which lays the foundation for electoral democracy to be expanded to a more liberal democracy. Improved protection of human and civic rights should also add to electoral and liberal democracy in Russia. Since Chapter Two of the Russian Constitution is dedicated to the rights and liberties of man and the Russian citizen, strengthening the judiciary should, if there are no more contraventions in other sectors of society or the state, take Russia one step closer in truly defending those civil liberties. If this becomes a reality, Russia would be reinforcing electoral democracy and would be taking one step closer in instituting liberal democracy.

Free the Press

The 1991 Law on Mass Media, as well as the constitutional guarantees requiring that Russia's citizens receive accurate and objective information, laid the foundation for freedom of the press in Russia.⁴⁶ Protection of the press satisfies one of the attributes of liberal democracy, and aids electoral democracy. Free elections are only the first steps in establishing the rule of law and democracy, but competitive multiparty elections are inhibited by a lack of multiple news outlets.⁴⁷ Therefore, the Law on Mass Media is crucial in supporting electoral democracy in Russia.

⁴⁵ Sakwa, *Putin: Russia's Choice*.

⁴⁶ Panfilov, Oleg, "Glasnost Under Siege: Putin and the Media – No Love Lost," *East European Constitutional Review*. Winter 1999/Spring 2001.

⁴⁷ Hoffman, David, "Democracy needs many voices," *The New York Times*. February 1, 2001.

Putin's presidency has been accompanied by persistent fears for the preservation of the media's freedom." Putin responds to negative publicity by censoring the press because, to some degree, he regards bad press as challenges to the state and his governance. His first victim of media independence was Andrei Babitsky, a reporter for Radio Liberty. Babitsky's criticism of Moscow's Chechnya's policy in his battlefield reports in 1999 and 2000 resulted in him being charged with spying for the Chechen rebels, held in isolation, and treated like a terrorist. Babitsky was eventually released and all charges against him dropped.⁴⁹

Babitsky's treatment was a violation of the rights gained by independent journalists under glasnost and the Law on Mass Media, and was the first in a stream of assaults on the media.⁵⁰ The Babitsky incident demonstrates that describing Russia as a liberal democracy would be a conceptual stretch. It indicates a leaning towards delegative democracy, where leaders hope to shield themselves from electoral pressures. By attacking Babitsky, the Putin administration was trying to prevent the media from reporting stories that would cast the government in a negative light and cause public outcry. If the Russian government can preserve its image in the media, it can maintain its authoritarian-like control over the population.

Four days after Putin's inauguration, police raided Vladimir Gusinsky's Media-Most, the holding company of NTV, the only independent television station with national coverage, to suspend its operations.⁵¹ It is highly unlikely that Gusinsky was any more corrupt than other oligarchs in Russia, but he was the head to an independent media

⁴⁸ Sakwa, *Putin: Russia's Choice*. Page 103.

⁴⁹ Shevtsova, *Putin's Russia*. Pages 83 and 84

⁵⁰ *Ibid.* Page 83.

⁵¹ *Ibid.* Page 94.

company that was not only critical Putin and his policies,⁵² but also supportive of Putin's presidential opponents Yury Luzhkov, Yevgeny Primakov, and Grigory Yavlinsky.⁵³ As a consequence, Gusinsky was silenced.

Putin responded to the allegations of his attacks on the media in his first speech to the Federal Assembly on 8 July 2000. Putin emphasized that a free press is vital to the development and survival of Russian democracy. He also added that there are media outlets in Russia that merely propagate the political and commercial interests of their owners that leads to mass disinformation, which was essentially useless to the public.⁵⁴ (This declaration was to somehow assure the public that attacks on Gusinsky's Most-Media were justified.) However, one of the cornerstones of democracy is the acceptance of the free press, regardless of its opinions of the state's leadership. There was no clear legal justification for raiding Most-Media, such as disclosing military secrets or jeopardizing a military campaign abroad. The Kremlin did, however, provide a backhanded defense for the raid by concluding that all are equal before the law, and that the raid was not in response to or an attack on the media's freedom.⁵⁵ However, the evidence points more towards the persecution of abhorred bad publicity than to a crackdown on lawbreakers.

Additionally, the Moscow Independent Broadcasting Corporation's TV-6 was taken off the air on January 21, 2002, effectively ending the battle over the last remaining television broadcaster in Russia not closely associated with the Kremlin.⁵⁶ The Kremlin has again publicly distanced itself from the TV-6 shutdown, and instead expressed

⁵² Sakwa, *Putin: Russia's Choice*. Page 104.

⁵³ Shevtsova, *Putin's Russia*. Page 93.

⁵⁴ Sakwa, *Putin: Russia's Choice*. Page 104.

⁵⁵ Bohlen, Celestine, "Putin Defends Police Raid on Media Company," *The New York Times*. May 13, 2000.

⁵⁶ "Constitutional Watch," *East European Constitutional Review*. Winter 2001/Spring 2002.

concern that it was a business matter unrelated to press freedom or Kremlin influence. However, the station's owner, Boris Berezovsky, was using the station to accuse Putin and the Kremlin of various crimes.⁵⁷

Dramatic events of October 2002 resulted in the first legislative move to provide guidelines for media reports. In the wake of the hostage crisis at a musical in Moscow, where 128 hostages died in the rescue attempts, new restrictions on freedom of expression, initiated by the pro-Kremlin majority, easily sailed through the parliament. Both the lower and the upper house approved amendments to the Law on Mass Media and the Law on the Struggle against Terrorism that prohibited publishing information that might be seen as "hampering an antiterrorist operation." The media were also not allowed to circulate "statements aimed at obstructing an antiterrorist operation" and "propagating or justifying resistance to carrying it out," a provision that could be used as a pretext for further blocking of media access to various domestic opponents of the Chechnya war.⁵⁸ President Vladimir Putin vetoed the amendments, even though he expressed his displeasure with the mass media outlets.⁵⁹ Even though Putin's veto of the amendments indicates his resistance to penning a law diminishing freedom of speech and voicing opposing views, the actions of his administration up to this point do not support his proclamations.

After Putin denied the legislature the right to actively censor the media, Leonid Parfyonov was fired in June 2004 for airing an interview with a Chechen widower against the Kremlin's expressed wishes.⁶⁰ It is becoming more apparent that it is one thing to talk

⁵⁷ Ibid.

⁵⁸ "Constitutional Watch," *East European Constitutional Review*. Winter 2002/Spring 2003.

⁵⁹ Ibid.

⁶⁰ Mydans, Seth, "Russian TV Newsmen Fired in Media Crackdown," *The New York Times*. June 3, 2004.

about the preservation of a free press and a completely different issue when it comes to abiding by those precepts. Putin, to save the face of Russian democracy, upholds the principle of free media in words (vetoing the amendments to the Law on Mass Media), but the protection of the free media is not being enforced. Russia, as it relates to freedom of the press and information, is a liberal democracy in the law books, but an illiberal democracy through state prosecution of publishers of information deemed threatening by the Kremlin.

The Bigger the Trees, the Harder they Fall

The Kremlin's prosecution of media moguls and oligarchs in Russia is not limited to those who express their dissent with the Putin's administration through mass media. Russian billionaires Boris Berezovsky, Vladimir Gusinsky, and Mikhail Khodorkovsky were all prosecuted by the state for their political aspirations. But the Kremlin likes to reiterate that they were prosecuted because of their tax evasion and illegal activities. However, the selective nature of the campaigns provokes suspicion that these attacks are not so much a crackdown on corruption, but more targeted at Putin's political critics and opponents that threaten his political dominance.⁶¹

However, Putin and the Kremlin have been somewhat committed to a complete and impartial review of tax-avoidance practices in Russia, especially in the natural resource monopolies that have the greatest potential to make profits, and thus significant sources of revenue for Moscow's budget.⁶² (In essence, this is an oil grab via tax law). The methodical, calm and calculated manner in which tax-evasion investigations have

⁶¹ Sakwa, *Putin: Russia's Choice*. Page 100.

⁶² "Putin's democracy with taxes," *The Russia Journal Daily*. November 18, 2004. Available at www.russiajournal.com

been undertaken speaks volumes about how the Russian government has been coming of age. The crackdown on tax evasion, especially when the evasion takes place in industries that stand to be highly successful and profitable, is economically and politically motivated.

The significance of Putin's anti-oligarch campaign focused on curbing tax evasion has deeper implications for Russia. This campaign signals that there is some effort to separate the economy from politics.⁶³ Instead of prolonging a partial market economy that allowed for the rich to undermine the state through cronyism and government connections, Putin was essentially indicating that the free market economy should be just that: free of cronyism and corruption. President Putin stressed his intentions to remove big business tycoons from direct political access to the state by meeting with twenty-one of Russia's business elites on 28 July 2000. At this meeting, Putin ensured all present that the role of the state from that point was to level the economic playing field, and to act as a referee to safeguard fair play by all economic participants. The business leaders affirmed that they would play by the rules, pay taxes, obey the law, and refrain from bribing public officials.⁶⁴ The concentrated effort to separate economics from politics improves the possibilities for a thriving electoral democracy.

These attacks on delinquent oligarchs were not random.⁶⁵ It appears that oligarchs with close political ties to the Putin administration, who were just as corrupt and as guilty of major infractions as business tycoons prosecuted by the state, have not been investigated by the state. Instead, Mikhail Khodorkovsky, former owner of Yukos Oil who accepted the new economic rules in Russia, was arrested and still awaits

⁶³ Sakwa, *Putin: Russia's Choice*.

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

prosecution.⁶⁶ One of the reasons for Khodorkovsky's imprisonment was his entering the political arena with unusual vigor and exuberance. The richest Russian would have undoubtedly stood a chance at political office since he had the necessary financial support to aid him in his endeavors.

It did not help that Khodorkovsky also controlled one of Russia's most successful oil companies in an industry over which President Putin hopes to reestablish state ownership and control.⁶⁷ President Putin could not reverse the privatization deals of the Yeltsin era, despite the corrupt channels through which they were obtained, but he could use the legal channels now available to him: prosecution for tax evasion. It was not surprising when Putin declared that the government would do its best to assure that Yukos would not go bankrupt.⁶⁸ Nor is it surprising that if Khodorkovsky is convicted his assets, including his majority controlling stakes in Yukos, could be seized by the government as well.⁶⁹

The prospects for electoral democracy are further diminished if political competitors are prevented from entering the political arena. The government is resorting to other legal barriers to prevent political competition to disrupt the status quo of public political opinion. Indeed, tax evasion is illegal and should be punished, but the fact that only some guilty oligarchs are being prosecuted implies that tax evasion may not be the motivating factor. These attacks are signals to other oligarchs with political aspirations to toe the line if they desire to keep their financial assets.⁷⁰ Liberal democracy is also not

⁶⁶ Ibid.

⁶⁷ Tavenise, Sabrina, and O'Brien, Timothy, "Russian Tycoon Moves into Politics and then Jail," *The New York Times*. November 10, 2003.

⁶⁸ Mydans, Seth, "Putin Says Russia Wants Yukos to Survive," *The New York Times*. June 18, 2004.

⁶⁹ Arvedlund, Erin, "A New Twist in Russia's Yukos Oil Affair," *The New York Times*. April 16, 2004.

⁷⁰ Sakwa, *Putin: Russia's Choice*.

being promoted in Russia if the state can launch attacks on individuals to acquire their assets. Delegative democracy gets another check to its name. Oil is important to the Russian economy, and controlling oil-related assets would be a plus for the Russian government. Therefore, Putin can use defense of Russia's interest and his electoral legitimacy to regain these assets, even if this violates other Russians civil liberties.

Codes of Conduct

When Putin entered the president's office in 1999, he was faced with a limping market economy plagued by inefficiency and corruption. Economic growth was stagnating compared to China's economy, Russia's neighbor and rival.⁷¹ It was almost impossible for foreign investors to invest in the country because of a lack of effective laws or enforcement of contracts.⁷² Banking laws needed to be reformed because there was no real mechanism for collecting debts or dealing with bankruptcy. The significant underground economy detracted immensely from the formal economy.⁷³ Putin had a rough road in front of him to transform the Russian economy into a cohesive market economy.

An overhaul of the tax system was hurriedly implemented once Putin assumed office. Tax reforms introduced in 2000 included a 13 percent flat tax rate of personal incomes, a reduction in corporate taxes from 35 to 24 percent, clearer channels for tax payments, and better enforcement.⁷⁴ As a result, revenue collection jumped by 50

⁷¹ Merrill, Philip, "The Rap on Russia," *The International Economy*, 2001, Vol. 15.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

percent.⁷⁵ With increased revenues, Putin was able to balance the state budget and to pay foreign and local debts punctually. The administration, even though it had warned against it, implemented a rolling policy of repayments to ultimately honor debts that were suspended in the financial crash of 1998.⁷⁶

Additionally, in Putin's first few years as president, there were favorable economic circumstances that cushioned the economy, and prepared the economy to sustain the short-term blows of market reforms, but also decreased the urgency of implementing economic reforms. In 2003, world oil prices in constant 2004 US dollars rose to US\$29.60. In 2004, oil prices increased to US\$42.68 and continued to increase in 2005, where the current average for oil prices is US\$55.37.⁷⁷ These increases in world oil prices have brought in enormous tax revenues, and led eventually to a large trade surplus.⁷⁸ Oil and gas account for fifty percent of Russia's export revenues, forty percent of gross fixed investment, and provide twenty-five percent of the government's tax revenues.⁷⁹ As a result, there was economic growth, a decline in inflation rates since the government no longer needed to print money to finance its budget deficits, an increase in investments in the energy sectors by private interests, and a budget surplus.

One of the major economic reforms President Putin ushered into the economy was a new Labor Code that came into effect on February 1, 2002. The code established the broad framework of labor relations, and many of the specific details of working hours, labor contracts, health and safety in the workplace, discipline, and remuneration.⁸⁰ For

⁷⁵ Shevtsova, *Putin's Russia*.

⁷⁶ Sakwa, *Putin: Russia's Choice*.

⁷⁷ "Crude Oil Prices 1861-2005." Available at <http://www.forbes.com/static_html/oil/2004/oil.shtml>

⁷⁸ Sakwa, *Putm: Russia's Choice*.

⁷⁹ Ibid.

⁸⁰ "Constitutional Watch," *East European Constitutional Review*. Winter 2001/Spring 2002.

the first time, workers had legal guarantees on the length of the work week, overtime compensation, and paid leaves.⁸¹ A key clause required that the minimum wage be equivalent to the government's estimated subsistence minimum, which as of December 2001 was 1500 rubles per month (US\$50). However, the corresponding minimum wage was 450 rubles per month (US\$15), which was well below subsistence level.⁸² However, many were extremely skeptical of the government living up to this standard, given that the estimated cost to the government of doing so would be two trillion rubles^{E3} since the code would also include state employees. The other challenge would be to overcome the arrears in wages that have been accumulating in the society.

An interesting addition to the Labor Code was a clause effectively limiting labor unions to only one per industry. Employers are only allowed to negotiate and enter into agreements with unions that organize more than 50 percent of the total workers in any given industry. Furthermore, the same quota was set for the calling of strikes.⁸⁴ These quotas essentially bar up-and-coming labor unions from taking root in the Russian economy. These rules also prevent radical groups from politically mobilizing workers to vote against pro-Kremlin parties. Therefore, to some degree, the Labor Code helps to limit electoral competition in the political arena.

Another crucial economic reform was the Land Code of October 2001. Russia's new Land Code serves as a comprehensive framework regulating rights of ownership of land in Russia.⁸⁵ The code focused on urban land sales and ownership, and was expected

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Remington, Thomas, "Russia's Federal Assembly and the Land Code," *East European Constitutional Review*. Summer 2002.

to stimulate the real estate market by providing a legal basis for transferring urban land, facilitating transfer of state-owned urban land to private parties, and granting foreigners almost the same rights as citizens in real estate transactions.⁸⁶ Additional land reform focused on agricultural land. In June 2002, the Duma approved legislation creating a legal framework for buying and selling agricultural land.⁸⁷ This legislation created considerable controversy because the communists and agrarians opposed the sale of agricultural land. This controversy prompted Putin's administration to make adjustments to the proposed law. The compromise banned foreign ownership of farms and restricted the size of farms that Russians could own.⁸⁸ (Electoral democracy may still have a place in Russia because the Kremlin had to yield to electoral pressures of the communists and the agrarians and alter the law on the sale of agricultural land.) The land reforms speak favorably to the Russian government's commitment to securing property rights in Russia, which would help to attract more foreign investment.

The process of reforming and reorganizing the energy, transport, banking and utility sectors has been very sluggish.⁸⁹ The most change has occurred in the energy sector, but even there substantial ground needs to be covered. Reforms have halted in the energy sector because high oil prices on the world market, which means that government revenue remains high. Privatization is currently off the agenda, because privatization would remove oil production from the government's supervision.

⁸⁶ "Russia's New Land Code in Effect," *International Law Update*, April 2002.

⁸⁷ Myers. Steven, "The Motherland Goes on Sale," *The New York Times*. June 30, 2002.

⁸⁸ *Ibid.*

⁸⁹ Sakwa: *Putin: Russia's Choice*.

President Putin has made several changes in the Russian economy. Putin has kept inflation in check and has staved off speculative attacks on the ruble.⁹⁰ Russia is now running a budget surplus of almost three percent of GDP, which is a far cry from 1998 when Russia had a budget deficit of eight percent of GDP.⁹¹ However, the Russian economy is not quite yet home free. All the reforms will take years to show their real effects on the economy. Furthermore, the Russian economy is in need of diversification.⁹² The economy is oriented towards raw materials, especially oil and gas, has created an economy heavily dependent on the revenues from their exports.⁹³ Any economic shock that drives down world price or any disruption in local oil production would have severe negative effects on the Russian economy and the government's ability to meet its social obligations. So, Putin's next economic reform should probably be focused on economic diversification.

The economic reforms indicate increased protection of civil liberties in the economic arena because of increased private ownership, which is supported by judicial reforms. The reforms and the compromises reached in crafting those reforms indicate the effectiveness of electoral democracy in Russia because the communists and agrarians were able to shape the outcome of the Land Code to protect Russian land owners. Civil society has not been completely silenced.

Economic and judicial reforms increased protection of civil rights in Russia. Judges no longer have to depend on additional funding and are less likely to be influenced to make partial rulings for the rich, which provides greater opportunity for

⁹⁰ Caryl, Christian, and Conant, Eve, "All that Glitters," *Newsweek International*. May 13, 2002.

⁹¹ Sakwa: *Putin: Russia's Choice*.

⁹² Caryl and Eve.

⁹³ Shevtsova, *Putin's Russia*.

*Paradox of **Building** Democracy*

impartial trials for all Russians, regardless of wealth. Economic reforms secured property and workers' rights, which had long been promised by the Constitution but never enacted.

On the other hand, delegative democracy was strengthened when Putin established the seven regional districts and began appointing regional governors and representatives to the Federation Council. The persecution of independent media outlets also added to the consolidation of delegative democracy by restricting public dissent of Putin's administration and its policies. Prosecution of oligarchs in Russia was anti-democratic. Economically powerful individuals were being deliberately singled out for civil litigation because of their political aspiration, opposition to the residency, and their financial assets. The need to control oil production and oil revenues has prompted Putin's administration to find legal channels to re-nationalize oil companies. Khodorkovsky's oil company, Yukos, was dismembered and partially nationalized in 2004 to settle a back-tax bill, while Khodorkovsky sat in jail awaiting trial on fraud charges and tax evasion.⁹⁴ Putin found legal channels to secure more power for Moscow so that the gains could not be legally contested. Thus as a delegative democracy, Putin has limited the possible justifications for public dissent.

⁹⁴ Chazan, "In Putin's Russia, Business Struggles for a Foothold."

Chapter Four

Mall Pass

Necessity, the Mother of all Inventions

Vladimir Putin's reforms have not added to electoral democracy in Russia. In fact, five of the eight major reform areas that have been discussed thus far (see Figure 1) are indicative of a development of delegative democracy under President Putin's leadership. Conversely, judicial and economic reforms invited greater protection of civil liberties. However, the liberties that were safeguarded promote private ownership of land and assets, and foreign investment, which aid the government's economic plans for the energy sector. Foreign direct investment is necessary to increase technological advancement in the energy sector. On the other hand, other civil liberties such as freedom of speech and political expression continue to be violated because, if promoted, they could lead to political mobilization against Putin's strong state ideal. How is it possible for President Putin to restrict Russians electoral rights and civil liberties?

To put it in perspective, the state bureaucracy President Putin inherited was not in proper working order, to say the least. Moscow's influence in the regions had deteriorated to the point where the Kremlin had to "bribe" regional governments and legislature to gain their support on legislation, elections, and even tax collection. The ministries that were established to manage state-owned enterprises and natural monopolies were riddled with corruption, which further complicated growing inefficiency problems. The practice of paying in kind rather than in cash helped to propel the Russian economy into limbo, which culminated

Figure 1: Summary of reforms and Implications for Democracy

Reforms	Electoral Democracy	Liberal Democracy	Delegative Democracy
Seven Regional Districts	Had no effect on electoral competition or participation	Increased protection of civil liberties by cracking down on corruption	Gave the president more authority in the regional legislative decisions.
Presidential Appointment to the Federation Council	Reduced the electorate's participation in decision making process	No direct impact	Strengthened because electoral legitimacy used to increase the president's role in decision making process
Presidential Appointment of regional leaders	Negative impact on electoral democracy	No direct impact	Increases the notion of delegative democracy
New Electoral Laws	Slight negative effect because broader perspective removed from legislature	No direct impact	Fortified the government's power in the legislature to act independently of popular opinion.
Judicial Reform	Slight positive effect because civil liberties are protected	Increased civil liberties because of increased access to the judicial system and less corruption	Still open to governmental pressures and influence
Persecution of the media	Limits the possibility of free and fair elections because of less independent sources of information	Less protection of civil liberties in terms of freedom of speech and expression, and backhandedly, association	Increased domination of information disseminated increases the government's control of opinions
Persecution of oligarchs	Reduces electoral democracy because free and fair competitive elections are not being endorsed	Political expression and association is restricted	Governmental domination of political sphere reduces the negotiation in law making process
Economic Reforms	No direct impact	Increased economic liberties which are articulated in the decision making process	Reduced governmental control in the economy, except in energy sector

in the financial crisis of 1998.¹ In essence, changes had to be made if Russia was to survive another episode similar to the crisis of 1998. State-building reforms were necessary to restructure the bureaucracy to make the prospects for the emergence of a stable democratic regime in the future viable.

Putin's method did rely heavily on the policy of a strong state, and a series of reforms recentralizing power to the Kremlin to effect his changes in the Russian state, but could the existing Russian state institutions have facilitated the reforms necessary to stave off the possible collapse of the Russian Federation? The state and regional institutions that would have been part of a more pluralist strategy were weak, more readily suppressed by local authorities, and susceptible to corruption and cooptation by wealthy businessmen.² Therefore, relying on those deficient institutions would have implied both a much longer time frame for success and a much greater risk of short-term failure.' Reasonably, Putin could not have relied on ministers to reform the industries, when they themselves were intertwined in the corruption that plagued the ministries. Setting new rules for tax reporting, collecting, and transfer to the federal centre could only have been feasible had Moscow reined in the regional tax collectors and brought them more under its supervision. Putin's reform plan of first redefining the power structure and attacking corruption in state institutions and society was a practical approach to deal with the deep ingrained problems he had to tackle. Of course, this strong-state strategy has rightly come to be seen as Putin's own brand of authoritarianism, because it had elements of authoritarianism in electoral and regional reforms, but the

¹ Treisman, Daniel, "Inter-Enterprise Arrears and Barter in the Russian Economy," *Post-Soviet Affairs*, 2000, Vol. 16.

² Sestanovich, Stephen, "Russian Democracy in Eclipse: Force, Money and Pluralism," *Journal of Democracy*, 2004, Vol. 15.

••bid.

contours of his choice, and the difficulties of pursuing an alternative, were shaped by Putin's predecessor, Yeltsin himself.⁴

On the other hand, it is important to note that not all the changes Putin implemented were necessary to effect changes to the Russian state. For example, even though prosecuting corrupt oligarchs was necessary to diminish their heavy-handed influence in politics, restricting freedom of speech through attacks on media outlets had no noted or positive effects on any Russian state institution. Yet, Putin's administration, even though Putin denied any association with those civil litigations, continued its crackdown without much public opposition except from media moguls. The lack of greater public opposition suggests that the need for reforms was not the only factor that allowed Putin so much room to maneuver.

What the People Want

Vladimir Putin's seemingly anti-democratic actions are not being imposed on the Russian majority, but are actually being welcomed by the people.⁵ The preference for a strong central government has been indicated recently in poll ratings of major Russian politicians in February 2005 by the All-Russia Center for Public Opinion Studies (VTsIOM). Vladimir Putin received an approval rating of 64 percent, with only 27 percent expressing disapproval for Putin's activities.⁶ This continued approval of Putin's reforms could be partially related to the theory of Russians wanting a strong central government, and partially to Russians being pleased with Putin's economic reforms since Putin became president.

⁴ Ibid.

⁵ Pipes, Richard, "Flight to Freedom: What Russians Think and Want," *Foreign Affairs*, May/June 2004.

⁶ "Confidence in Putin still high," *The Russian Journal Daily*. March 3, 2005.

Richard Pipes highlights that Russia's history predicates the need for a strong central figure to maintain national cohesion. A Validata poll in 2003 showed that Russians believe that having lost their Soviet identity in 1991, Russia is still in the process of recreating one, and a part of that recreation entails "a blend of tsarism, communism, and Stalinism."⁷ A strong government, supposedly, will ultimately bring Russia respect in the international arena. Therefore, even though it is possible that Putin suppressed the opposition to win the previous elections, he is still supported at home because he is reinstating Russia's traditional model of government: a strong government.⁸

The results of the opinion polls also point to another important factor that allows President Putin to implement and maintain anti-democratic reforms. To increase the probability that democracy will truly take roots in a country, the impetus for democratization has to ferment within the country to allow for negotiations between opposition forces and the incumbent government. External forces can attempt to initiate pressure for democratization, but the government can more easily ignore external forces since its legitimacy comes from its citizens, the people it governs. Therefore, the lack of opposition forces and popular opinion demanding more democratization in Russia allows Putin to carry out his anti-democratic centralization.

Grease the Wheels of Reform

Despite the obvious need for reforms on a grand scale in the Russian state, the absence of more vociferous opposition from the public on controversial decisions, such as the abolition of elections for regional leaders, indicates that

⁷ Ibid.

⁸ Ibid.

Putin's independence has stemmed from other sources of power. Michael Ross theorizes that oil wealth makes states less democratic through the repression, rentier, or modernization effects.⁹ The repression effect posits that resource wealth retards the democratization process by enabling governments to fund increases in internal security to block the population's political aspirations. The rentier effect states that a resource rich government will use low tax rates and patronage to relieve democratic pressures and avoid accountability to the people by public officials. The modernization effect claims that growth based on the export of oil and minerals fail to beget the cultural and social changes necessary to support the formation of a democratic government.¹⁰

The rentier effect postulates the income from natural resources can allow the government to not excessively tax its citizens, and thus shield it from political pressure. Since the Putin administration reduced income tax rates to a thirteen percent flat tax during the tax reforms," there is greater indication that the rentier effect motivated Putin to initiate reforms that increased delegative democracy in Russia. Furthermore, since 1999 the growth of oil prices and the revenue this has generated for the Russian government is substantial. With every dollar oil prices rise, there is a corresponding billion dollar increase in oil revenues, twenty-five percent of which accrues to the government in taxes.¹² As a result, the economy has grown, inflation rates have declined because the government is printing less money to finance the budget, investment rates have increased as more

⁹ Ross, Michael, "Does Oil Hinder Democracy," *World Politics*, 2001, Vol. 53.

¹⁰ Ibid.

¹¹ Merrill, "The Rap on Russia."

¹² Sakwa, *Putin: Russia's Choice*.

entrepreneurs invest in the energy sector, and the trade and budget accounts are finally in the black, which when combined, gives President Putin a lot of room to maneuver in society.

The importance of oil prices and revenues, and the resulting rentier effect can be established through a simple time comparison. Boris Yeltsin, it could be said, lacked the control and popularity Putin now has because average oil prices during Yeltsin's presidency was US\$22.46 (real 2004 dollars) compared to an average of US\$35.22 (real 2004 dollars) during Putin's presidency.¹³ Furthermore, oil revenues were not flowing smoothly or directly into Moscow because of corrupt ministry officials, and inefficient and corrupt tax collection mechanisms. Economic growth was also mostly negative during the Yeltsin era. As a result, Yeltsin had to depend on Russian oligarchs, regional governors, and bilateral treaties to maintain his position atop the Russian political hierarchy. On the other hand, oil prices began to rise in 1999, and have continued to rise. Putin has also corrected the deficiencies in the ministries and tax collection system. There has also been strong, positive, and significant economic growth under Putin. Combined, these realities make Putin more resistant to public pressures and dissent against his reforms, because he has the economic base to support his administration, which Yeltsin lacked.

The rentier effect is supplemented because of the improvements in the Russian economy, which can be attributed to increased oil prices and Putin's economic reforms. Since the dissolution of the Soviet Union, the Russian economy has been plagued by inadequacy and want. Putin's administration has eliminated

¹³ "Crude Oil Prices 1861-2005." Available at <http://www.forbes.com/static_html/oil/2004/oil.shtml>

enough of those inadequacies to make Russians more willing to participate in the formal economy. Putin's recent Labor Code increased the minimum wage to guarantee laborers at least the government's estimated subsistence level of living helped to improve the condition of workers. If Putin's reforms guaranteed Russians economic security and personal freedoms (through judicial reforms), objections to those reforms would be limited. Therefore, resistance to Putin's reforms has not been forthcoming partly because of the rentier effect, and partly because of Russians satisfaction with the marked economic improvements.

Additionally, the modernization effect highlights the fact that as oil revenues generate more economic growth, cultural and social indicators that usually lead to political mobilization and effect change in the government do not develop. World oil prices began to rise in the late 1990s when Putin became president, and Russian oil production has also steadily increased. However, development indicators have not improved in Russia to match increased economic growth and trade and budget surpluses. According to the World Development indicators, average life expectancy in Russia has declined to 65.7 years in 2003,¹⁴ from highs of 72 years. Income inequality has also increased even though there has been positive economic growth during the Putin's presidency. The Gini coefficient of incomes rose to 0.41 in the 2000s after being as low as .26 at the beginning of the 1990s when the Soviet Union fell.¹⁵ Even though average literacy rate in 2002 was 99 percent, the avenues for political mobilization have been weak. The cultural and social changes necessary for democracy to develop have been

¹⁴ World Development Indicators available at <<http://devdata.worldbank.org/data-query/>>

¹⁵ BOFIT Russia Review, Bank of Finland Institute for Economies in Transition, Vol. 3, March 9, 2005

weak in Russia, in fact, many changes are moving in the opposite direction. As a result, the population is ill-equipped to organize itself effectively to demand more democratic changes from the government. President Putin is then able to continue enacting laws and reforms that are anti-electoral democracy, and that favor delegative democracy, which gives him ultimately more power.

The rentier and modernization effects that stem from increased oil rents have given President Putin substantial economic backing to prevent and isolate himself from public dissention. Increased revenues from oil rents reduce the need to tax the population heavily, which isolates the government from public outcry. While the lack of social and cultural development reduces the channels through which the population can organize opposition groups to effectively pressure the government to change its regime.

Permission Granted

Under Article 80 of Chapter Four of the Russian Constitution, the president is allowed to take measures deemed necessary to protect the sovereignty of the Russian Federation, its independence and state integrity, and ensure concerted functioning and interaction of all bodies of state power.¹⁶ under the broadest interpretations, this would indicate that President Putin was constitutionally sanctioned to abolish regional elections and appoint regional leaders in the name of national security and state integrity. The seven regional districts can also be viewed as necessary to ensure that there is a concerted functioning and interaction between all constituents of the state bureaucracy. Furthermore, Article 85 gives the president the right to settle

¹⁶ Russian Constitution.

*Paradox of **Building** Democracy*

differences between organs of state power, which makes the regional districts legal because the regional districts were created to ensure that there were no lasting disputes between the federal and regional state organs.

The Russian Constitution also states in Article 96 of Chapter Five that the procedure for electing deputies to the State Duma shall be established by federal law, which requires a two-thirds majority in the State Duma. The electoral law that strengthened the pro-Kremlin parties' representation in the State Duma was enacted via the legal channels. Prosecution of the independent media outlets and oligarchs were pursued through legal channels, even if the prosecutions were politically motivated. Putin went as far as to veto the amendments to the Law on Mass Media that the Duma was trying to enact to prevent any unconstitutional laws from being passed. Therefore, President Putin was constitutionally sanctioned to amend laws, create districts, and implement reforms throughout the state.

President Putin was allowed to implement anti-democratic recentralization policies because some recentralization was necessary to correct for some of the operational deficiencies of the Russian state. The lack of opposition from the electorate also sanctioned his policies. Furthermore, the rentier and modernization effects that stemmed from increased oil revenues created mechanisms to shield the state from public dissent. The impact of increased oil revenues is evident when oil prices and public dissent are compared between the Yeltsin and Putin presidencies. Additionally, there were no legal justifications to oppose some of the laws that were enacted during Putin's presidency because the laws used and enacted were constitutionally sanctioned and legislatively sound.

Chapter Five Conclusion

The Verdict

Vladimir Putin ascension to the office of the president was not fully democratic: initially he was not elected to the position, but appointed. When Boris Yeltsin resigned from office he made it clear that he was not resigning because of ill health, but was instead departing at the best possible moment to ensure his chosen successor was elected.¹ However, Putin made several changes to the federal and regional power structure and relationship, the electoral system, the judiciary, and the economy that have since had impact on Russia's democratic project.

The minimalist standard of democracy simply demands the assurance of free and fair electoral competition with widespread participation among the population. Russia elects its president, representatives in the Duma, and until recently, regional governors, which gave its government electoral legitimacy. President Putin's reforms creating the seven watchdog institutions; judicial reforms that guaranteed more individual protection from state corruption; legal efforts to diminish influence of economics in the political arena by prosecuting oligarchs on tax evasion charges; and the inclusion of popular opinion in the shaping of some of the economic reforms also augmented electoral democracy in Russia.

However, electoral democracy sustained several blows in the process. Putin replaced regional governors in the Federation Council, but instead of holding elections for those positions, he decided to appoint persons, and in the process restricted electoral competition for major decision making positions. Subsequently, Putin scrapped regional

¹ Brown, Archie, "From Democratization to Guided Democracy," *Journal of Democracy*, 2001, Vol. 12.

Paradox of Building Democracy

elections altogether, which eliminated electoral democracy at the regional level. President Putin also encouraged the Duma to raise the threshold for parties represented in the Duma from 5 to 7 percent of all electoral votes, further decreasing the electorate's contribution to the decision making process. The extensive prosecution of media moguls significantly reduced freedom of speech and access to information by all Russians, which negatively affects Russians' ability to effectively participate in elections because of lack of impartial information on all candidates. Electoral competition was damaged when Ivan Rybkin, a candidate in the March 2004 presidential elections, temporarily disappeared under suspicion of Kremlin interference.² Therefore, while there have been positive supplements to electoral democracy, reforms have also undermined electoral democracy.

The positive impacts of Putin's reforms for the emergence of liberal democracy are limited. Strengthening the judicial system in favor of protecting individuals' liberties and further protecting individuals' economic liberties through economic reforms enhanced liberalism in Russia. However, the prosecution of media moguls and outlets further crippled Russia's prospect of becoming a liberal democracy.

In a delegative democracy, leaders use electoral democracy as authorization to act as authoritarians. Putin has electoral legitimacy, plus overwhelming popular support to implement most of the changes he desires in Russia, which spread his influence and impact in most areas of active Russian life. Putin removed regional governors from the Federation Council and appointed their replacements. However, Putin had an alternative. He had the alternative to pursue a more pluralist strategy by filling the positions through electoral votes. By avoiding this route, Putin essentially secured for himself more power

² Myers, Steven, "Now You Don't See Him, Now You Do: Putin Foe Resurfaces," *The New York Times*. February 11, 2004.

in the Russian system and denied the electorate its electoral rights. Additionally, abolishing regional elections, prosecuting media moguls, impeding freedom of speech, and interfering with individuals' political aspirations have all advanced delegative democracy in Russia.

Delegative democracy essentially gives the political elite more political control and offers the electorate less means to disturb the political status quo. Putin has achieved this. The legislature is easier to manage because pro-Kremlin representative majorities occupy both legislative houses, regional officials are under the direct auspices of Moscow, independent media have virtually been eliminated, and the ability of the rich to influence the state has been checked.

The cumulative effect of Putin's reforms has been a strengthening of delegative democracy in Russia. Interestingly, most of the resistance Putin faced came directly from those who were being threatened with legal indictments, and media houses and moguls that feared the loss of freedom of speech. One would expect more public outcry when almost an entire country's right to participate in the decision making process was being limited. However, for the most part, Russia remained silent.

The silence could have been sparked by general acquiescence that reforms were necessary to rescue the system from failure, and that recentralization of power, Putin's path, was Russia's best chance for success. However, some of the reforms revoked individuals' liberties and detracted from electoral democracy, so the overwhelming silence is still not completely accounted for.

Ross' rentier effect accounts for Putin being shielded from pro-democratic or more liberal opposition forces, because increased oil revenues led to improved economic

Paradox of Building Democracy

performance and more government revenue. As a result, Putin did not have to rely on excessive public taxes to support his reform projects. Increased economic growth reduced the number of complaints against the Putin administration. Tax reforms and overhauling the ministry were necessary before the rentier effect could mature to completely protect Putin. Thus the initial tax reforms and ministry reshuffling was made possible by Russians desire and acceptance of a strong state. Recent polls indicate that Putin's high approval rating can be attributed to Russians' desires for a strong state and the positive effects of economic reform. Russian culture accepting a strong state may have given Putin his initial room to maneuver and implement reforms that supported delegative democracy, but the rentier effect has since sustained his momentum.

Legally, the avenues for backlash against Putin's reforms were limited because Putin was within his constitutional rights as president of the Federation to implement most of his reforms. Putin also utilized Russia's established laws to achieve his political goals. Even though the motivating factors can be reasonably isolated, the fact that legal channels were used and, perhaps, that civil society was weak in the modernization sense eliminated the backlash that could follow, and thus allowed Putin to continue with his campaign.

Vladimir Putin had two choices when he became president. He could either revert to a strong state or move towards a full democratic regime. If he chose the democratizing approach, the Russian state institutions that are riddled with corruption and inefficiencies would prevent democracy from fully taking root in Russia, let alone flourish. As a result, instability would be more probable, and would leave the Federation open to authoritarian coups in the future. If he chose the strong state there would be the fear that Putin was just

a power-hungry ex-KGB agent obsessed with state power, and as a result a delegative democracy would have been consolidated with the support of the Russian people.

President Putin chose to strengthen the state, which is very interesting for Russia's democratic project. Since the Russian state bureaucracy was riddled with corruption, relics of the old Soviet Union, democracy could not have been feasibly introduced and expected to thrive. Thus, re-establishing a strong state that corrects for the inadequacies of the state bureaucracy is the most probable way to secure a foundation on which democratic institutions and traditions can be built on and encouraged in the future. Therefore, while Putin's reforms are currently, on balance, undemocratic, they might be creating the framework on which Russia's future democratic endeavors can succeed.

Bibliography

Arvedlund, Erin, "A New Twist in Russia's Yukos Oil Affair," *The New York Times*. April 16, 2004.

Aslund, Anders, and Dmitriev, Mikhail, "Economic Reform versus Rent Seeking," *Russia After Communism*, 1999.

Bayer, Alexei, "Tilting at Windmills", *Moscow Times*, October 1, 2004.

BOFIT Russia Review, Bank of Finland Institute for Economies in Transition, Vol. 3, March 9. 2005.

Bohlen, Celestine, "Putin Defends Police Raid on Media Company," *The New York Times*. May 13, 2000.

Bova, Russell, "Democracy and Liberty: the Cultural Connection." *Journal of Democracy*. 1997, Vol. 8.

Brown, Archie, "From Democratization to Guided Democracy," *Journal of Democracy*, 2001, Vol. 12.

Bumiller, Elisabeth, and Sanger, David, "Bush and Putin Exhibit Tension Over Democracy," *The New York Times*. February 25, 2005.

"Bush and Putin's News Conference," *The New York Times*. February 24, 2005.

Caryl, Christian, and Conant, Eve, "All that Glitters," *Newsweek International*. May 13, 2002.

Casper, G. and Taylor, M., *Negotiating Democracy: Transitions from Authoritarian Rule*. Pittsburg, University of Pittsburg Press, 1996.

Chazan, Guy, "In Putin's Russia, Business Struggles for a Foothold," *The Wall Street Journal*. April 27, 2005.

Collier, David, and Levitsky, Steven, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics*. 1997, Vol. 49.

"Confidence in Putin still high," *The Russian Journal Daily*. March 3, 2005.

"Constitutional Watch," *East European Constitutional Review*. Winter 2001/Spring 2002.

"Constitutional Watch" *East European Constitutional Review*. Winter 2002/Spring 2003.

"Crude Oil Prices 1861-2005." Available at http://www.forbes.com/static_html/oil/2004/oil.shtml

Diamond, Larry, "Thinking about Hybrid Regimes," *Journal of Democracy*. 2002, Vol. 13.

Ellman, Michael, "The Russian Economy under El'tsin," *Europe-Asia Studies*, 2000, Vol. 52.

Gaddy, Clifford, and Ickes, Barry, "Russia's Virtual Economy," *Foreign Affairs*, 1998, Vol. 77.

Goya, Ajay, "Putin's election reform: to save democracy or to save Russia?" *The Russian Journal*. October 12, 2004. Available at www.therussianjournal.com.

Hahn, Gordon, "Long arm of Putin's reform reaching Russia's regions," *The Russian Journal*. June 14, 2002.

Hendelman, Stephen, "Can Putin Strengthen the State While Attacking Corrupt Officials? Shadows on the Wall: Putin's Law-and-Order Dilemma," *East European Constitutional Review*. Winter 1999/Spring 2000.

Hoffman, David, "Democracy needs many voices," *The New York Times*. February 1, 2001.

Kubicek, Paul, "Delegative Democracy in Russia and Ukraine," *Communist and Post Communist Studies*, 1994, Vol. 21, No. 4.

Merrill, Philip, "The Rap on Russia," *The International Economy*, 2001, Vol. 15.

Mydans, Seth, "Putin Says Russia Wants Yukos to Survive," *The New York Times*. June 18, 2004.

Mydans, Seth, "Russian TV Newsmen Fired in Media Crackdown," *The New York Times*. June 3, 2004.

Myers, Steven, "From Those Putin Would Weaken, Praise," *The New York Times*. September 15, 2004.

Myers, Steven, "Now You Don't See Him, Now You Do: Putin Foe Resurfaces," *The New York Times*. February 11, 2004.

Myers, Steven, "The Motherland Goes on Sale," *The New York Times*. June 30, 2002.

O'Donnell, Schmitter and Whitehead, eds. *Transitions from Authoritarian Rule: Prospects for Democracy*. Baltimore, Johns Hopkins University Press, 1986.

Paradox of Building Democracy

Panfilov, Oleg, "Glasnost Under Siege: Putin and the Media – No Love Lost," *East European Constitutional Review*. Winter 1999/Spring 2001.

Pipes, Richard, "Flight to Freedom: What Russians Think and Want," *Foreign Affairs*, May/June 2004.

Plattner, Marc, "From Liberalism to Liberal Democracy," *Journal of Democracy*. 1999, Vol. 10.

"Political news," *The Russian Journal*. October 14, 2004.

"Putin's democracy with taxes," *The Russian Journal Daily*. November 18, 2004.
Available at www.russiajournal.com

"Putin Moves to Increase Power, Citing Effort to Fight Terror," *The New York Times*.
September 13, 2004.

"Putin pledges to uphold democracy," *The Russia Journal Daily*. February 27, 2005.
Available at www.russiajournal.com

"Putin Promises to fight oligarchs," *The Russia Journal Daily*. December 1, 2004.
Available at www.russiajournal.com

Putin, Vladimir Vladimirovich. <<http://www.encyclopedia.com/html/p/putinvl1.asp>>

Remington, Thomas, *Politics in Russia*, New York, Longman, 2002.

Remington, Thomas, "Putin's Third Way: Russia and the "Strong State" Ideal," *East European Constitutional Review*. Winter 1999/Spring 2000.

Remington, Thomas, "Russia's Federal Assembly and the Land Code," *East European Constitutional Review*. Summer 2002.

Ross, Michael, "Does Oil Hinder Democracy," *World Politics*, 2001, Vol. 53.

Russia: History. <http://www.encyclopedia.com/html/section/russia_history.asp>

"Russia's New Land Code in Effect," *International Law Update*, April 2002.

"Russia's President: Vladimir III?" *The Economist*, December 11, 2004.

Russian Constitution. Available at <<http://www.fipc.ru/fipc/constit/>>

Sakwa, Richard, *Putin: Russia's Choice*, London and New York, Routledge, 2004.

Schmitter, Philippe, and Karl, Terry Lynn, "What Democracy Is and Is Not," *Journal of Democracy*, 1991, Vol. 2, No. 3.

Sestanovich, Stephen, "Russian Democracy in Eclipse: Force, Money and Pluralism," *Journal of Democracy*, 2004, Vol. 15.

Shevtsova, Lilia, *Putin's Russia*, Washington DC, Carnegie Endowment for International Peace, 2003.

Solomon, Jr., Peter, "Putin's Judicial Reform: Making Judges Accountable as well as Independent," *East European Constitutional Review*. Winter 2001/Spring 2002.

Stepan, Alfred, "Russian Federalism in Comparative Perspective," *Post-Soviet Affairs*, 2000, Vol. 16.

Stoner-Weiss, Kathryn, "Central Weakness and Provincial Autonomy: Observations on the Devolution in Russia," *Post-Soviet Affairs*, 1999, Vol. 15.

Talbott, Strobe, "To Russia With Tough Love," *The New York Times*. February 24, 2005.

Tavenise, Sabrina, and O'Brien, Timothy, "Russian Tycoon Moves into Politics and then Jail," *The New York Times*. November 10, 2003.

Treisman, Daniel, "Inter-Enterprise Arrears and Barter in the Russian Economy," *Post-Soviet Affairs*, 2000, Vol. 16.

World Development Indicators available at <http://devdata.worldbank.org/data-query/>

Zakaria, Fareed, "The rise of illiberal democracy," *Foreign Affairs*. Nov-Dec 1997.