
Russian Federalism: Informal Elite Games Against Formal Democratic Institutions

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In Russia, formal constitutional principles of federalism cannot be abolished without putting the country's political stability at significant risk. Even the Soviet leadership could not afford to take such chances. The size of the Russian territory, its diversity, the importance of its historical memory (both the Russian Empire and the Soviet federal construction), and the presence of ethnic regions all make abolishing formal constitutional principles unpractical. Thus, federalism as a constitutional principle is invariably maintained by the Russian leadership. Yet many scholars say that federal institutions do not work in Russia, or that a genuine federal principle is simply inconsistent with authoritarian rule.

Without refuting these arguments, we suggest that the situation surrounding federal relations in modern Russia is more complicated. We argue that formal federal institutions create a potential latent threat to the stability of the country's regime. Federal relations seem largely irrelevant because Moscow constantly preemptively works against institutions of federalism, trying to carefully suppress the potentially dangerous effects of federalism. As a result, federal relations in Russia are a combination of formal and informal rules, where informal non-federal practices prevail. While this system is neither homogenous nor strong, it nevertheless remains stable. It has endured through institutions that suppress regional demands for autonomy and deprive them of representation at the national level.

Playing Against the Rules

Both in democracies and non-democracies, institutions control the rules of the game and are expected to constrain and coordinate the choices of political and economic actors. However, in non-democracies, elites often use formal institutions for purposes different

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from those originally intended (a so-called “misuse of institutions”) or follow them selectively for political and economic gains. More generally, in non-democracies, formal institutions are supplemented by informal ones in a way that could fundamentally change the practices of the formal setting as well as their expected outcomes. In other words, political and economic actors select strategies that “adjust” the functioning of formal democratic institutions in their favor.

We know that authoritarian incumbents in modern states extensively use democratic imitation as a strategy to extend their tenure in power. This is [primarily true](#) for electoral authoritarian regimes that can simulate democratic electoral procedures while reducing (though not eliminating) uncertainty about political outcomes. Many studies analyze elections in non-democracies as a game against the formal rules. These studies show how authorities restrict access to the ballot, give unfair campaign advantages, and falsify results. Some studies analyze the workings of parliaments in non-democracies in a similar manner, for instance, showing that the parliament serves as a mechanism for the dictator to bribe and split the opposition when he faces credible challenges to his regime.³

We consider that the effects of institutions in Russia could be analyzed as a game of elites *against* formal democratic institutions, and that this approach could be expanded to institutions of federalism. Formal institutions of federalism are reflected in the national Constitution of 1993. However, the federal center, perceiving these institutions as a constant hidden threat, suppresses or distorts their effects by introducing other formal and informal rules.

Russia as a Constitutional Federation

Russia is a constitutional federation. However, in practice, the Russian Federation does not work as a federal entity. In many respects, it resembles the Soviet Union, where federal relations seemed to be a formality. Yet, we need to remember that when political competition was introduced into Soviet politics at the end of the 1980s, Soviet federalism quickly became a decisive factor in the country’s political trajectory.

At the beginning of the 1990s, the choice of a federal state structure for post-Soviet Russia was made based on a practical inability to choose other alternatives. Moscow was weak, and the regions were going through a process of chaotic decentralization that was empowering local authorities. Federalism was the only form in which the territorial integrity and unity of the country could be preserved (the Federation Treaty was signed in 1992, before the implementation of the 1993 Constitution). The 1993 Russian Constitution outlined the basic principles of relations between the federal center and the

³ For a good illustration of a regional case, see: Edward Holland, “[Leadership Change and Protests in Russia’s Kalmykia: Moscow’s Corruptive Meddling and Its Discontents](#),” PONARS Eurasia Policy Memo No. 628, November 2019.

regions, delimiting power between them and Moscow. The Federation Council, as the upper house of parliament, would formally represent the interests of the regions, and fiscal resources would be formally decentralized, as is done in other federations.

But the hope that federalism would shield Russia from abuse of power using systemic checks and balances was in vain. Instead, in practice, abuse of political power and breaches of the institutions' domains of competence grew, especially in the regions. In most of them, the consolidation of political regimes occurred not based on democratic practices, but rather through authoritarian strategies. The federalism of the 1990s did not strengthen the openness of society or the permeability of the political system but instead led authorities at various levels to disengage from close cooperation with one another. By the end of the 1990s, Russia's political decentralization had reached such an extreme that Moscow had exhausted practically all of its levers of influence on the regions.

The reform of federal relations undertaken by President Vladimir Putin at the start of the 2000s was multidimensional and had several iterations. On the whole, the reforms served the goal of weakening regional elites (first of all, regional executives, often called governors), depriving them of political and financial autonomy, and concentrating administrative and financial resources in the hands of the federal bureaucracy. In particular, the reforms seriously affected the Federation Council, in which the governors and heads of the regional legislative branch were replaced by new representatives (two from each region: one appointed by the governor, and the other by the region's legislative body).

Putin's second term was marked by further centralization and a broadening of the measures for federal intervention in the regions. In September 2004, shortly after the Beslan school terrorist attacks, the president announced new approaches to state administration in the context of the fight against terrorism, and direct elections of regional governors were abolished. The cancellation of direct elections for governors significantly shrunk the national field of political competition and turned regional executives into agents of federal power. In this new system, governors were subordinated to federal power, which in turn controlled multiple levers to punish or reward them. The main demands from Moscow were loyalty, the delivery of electoral results "ordered" by the center, and the provision of political stability in the region.

However, after several days of street protests triggered by the December 2011 legislative elections, then-Prime Minister Putin announced the return of elections for governor. A new law was duly signed by President Dmitry Medvedev in May 2012 that established that candidates for governor must undergo a process of municipal scrutiny, a "municipal filter," that required collecting local deputies' signatures for candidates to get on the ballot when running for regional chief executive office.

It seems almost paradoxical that both the extreme decentralization of the 1990s and the

current era's re-centralization, accompanied by suppression and distortion of the effects of federal institutions, exist under *the same* Constitution.

How to Reduce Threats from Federal Institutions

Under Soviet rule, stability in relations between the center and the regions was maintained primarily through the structures of the Communist Party. While the Soviet Union had a federal constitution, the practice was mostly unitary. The weakening of the Communist Party destroyed the incentive structure that had suppressed the formal federal principles of the Soviet Constitutions. After the leaders of ethnic republics became independent from the control of the Communist Party, they started to play by the formal rules of the Soviet Constitution. Such a new game quickly undermined the stability of the federation. Today, United Russia is (obviously) incapable of controlling regional elite groups, as was the case with the Communist Party in the Soviet Union. United Russia is simply not strong enough to create the needed incentives.

Today, a combination of supplemental formal and informal institutions encourages regional elites to accept the practice of over-centralization. By introducing new institutions, Moscow had two important goals: to reduce the demand for autonomy in the regions and to deprive them of representation at the national level.

Bicameralism—the presence of two houses in parliament, one of which represents constituent entities of a federation in the national decision-making process—is one of the most significant features of a genuine federation. In Russia, according to the Constitution, the Federation Council has a wide range of important competencies. However, in reality, this institution has long ceased to play an important role in the institutional system. It is not a chamber that represents the interests of the regions but rather a sinecure for political pensioners, a platform for lobbying, and also a “warm place” for “honored persons” from the regions. The level of popular trust in the Council is extremely low, and its “weight” in the political system is very small. With very few exceptions, the Council simply approves the legislative initiatives of the State Duma, the lower house of parliament.

At the same time, the Federation Council is known for scandals related to crimes committed by its members, often called “senators” (over the past ten years, twelve senators have been [arrested](#) for various crimes, from fraud to rape). It is also known for some radical [repressive initiatives](#) such as the bill on “bloggers and foreign agents.” Since 2014, the president's [direct influence](#) on the Federation Council has increased. According to an amendment made in the Constitution, he now has the right to independently appoint ten percent of all senators as well as to dismiss them.

Another strategy applied by Moscow to make regional elites agree with over-centralization was to reduce the “demand for autonomy” in the regions. This was

realized through practices of governor selection, selective anti-corruption campaigns in the regions, and “special” financial redistribution.

One of the main trends in Russian domestic politics in recent years has been the [massive replacement](#) of the regional governor corps. This happens even despite obvious risks of regional destabilization and of destroying the informal ties and systems of mutual obligations created by the ousted governor that could sometimes work to the Kremlin’s advantage. Besides that, experts have noted an increase in the level of refusals to register candidates unapproved by Moscow for gubernatorial elections. The Liberal Mission Foundation concluded in one of its reports that the Kremlin’s main emphasis in the gubernatorial election campaigns of 2019, as in previous years, was on the [initial prevention of the nomination](#) of strong candidates who could genuinely compete with candidates approved by Moscow. As for anti-corruption campaigns, each year Moscow initiates “showcase” scandals exposing corrupt behavior of regional executives: Tula region in 2011, Novosibirsk region in 2014, the Komi Republic, Bryansk, and Sakhalin regions in 2015, the Kirov region in 2016, and the Republic of Udmurtia in 2017.

Finally, for a country like Russia, with a giant territory and high levels of interregional disparity, financial redistribution is extremely important as an instrument of addressing imbalances . However, in addition to the funds allocated to the regions through a complex system of official budgetary intra-government transfers, there are instruments of selective support of the regions for political (and geopolitical) reasons. Thus, the Chechen Republic, the city of Sevastopol, and the Republic of Crimea receive “special” [subsidies](#) from the federal center that, on the one hand, erode the whole system, but, on the other hand, inextricably link these regions with Moscow.

Conclusion

Constitutionally, Russia has been a federal state since 1993, the only one in the post-Soviet region. However, experts unanimously agree that the practice of center-regional relations in the country is not federal. Nevertheless, formal federal institutions in Russia do matter but in a way different from democratic federations. Formal federal institutions incentivize Moscow to preemptively play “against” them, thereby suppressing their potentially dangerous effects.

For many years, Moscow has elaborated on the whole system of how to maintain stability by suppressing regional demands for autonomy and depriving them of representation. This system supposedly works in combination: removing one element immediately puts the system’s stability in jeopardy. This system is very eclectic and potentially fragile but still works.

This past spring, Moscow allowed the Russian regions some degree of flexibility in coping with the COVID-19 pandemic and the related economic crisis. The regions

imposed different quarantine measures, balancing public safety with the degree of economic slowdown. Some political observers hoped that the crisis would “wake up” Russia’s “sleeping federalism” by putting the regions in a better bargaining position with regard to the federal center. However, there are neither theoretical nor practical reasons for such optimistic expectations. Indeed, theories of federalism predict that already centralized federations are likely to become even more centralized after a significant crisis at the national level.

In the specific Russian context, regional politicians have little incentive to demand institutional changes. They are de-facto nonelected, appointed politicians and their political survival depends largely on the approval of the Presidential Administration. Furthermore, regional authorities have no incentive to challenge Moscow collectively (in any organized or institutionalized form, such as via the lower house of parliament or Federation Council). Instead, regional politicians prefer to seek benefits for their regions in exchange for political obedience and loyalty. Thus, in the Russian authoritarian setting, the prevailing incentives of electorally unpopular incumbents in combination with the nation-wide recession may lead to only a temporary shift of administrative responsibilities to the regions. Afterward, we will likely see an increase in economic and political centralization.